Leary, D. J.
1934

Is the N.R.A. the natural outcome of our economic policies of the past?

STORED

BOSTON UNIVERSITY
SCHOOL OF EDUCATION
LIBRARY

Thesis
Leary, D.J.
1934

The Gift of Daniel J. Leary

School of Education
May 22, 1934
12111

12111

Ed.
Thesis
Leary
1934
Stored
Stored

BOSTON UNIVERSITY

SCHOOL OF EDUCATION

Thesis

IS THE N. R. A. THE NATURAL OUTCOME OF OUR ECONOMIC POLICIES OF THE PAST?

Submitted by

Daniel J. Leary
(A. B., Boston College, 1920)

In partial fulfillment of requirements
for the degree of Master of Education.

1934

First reader - John J. Mahoney, Professor of Education
Second reader - George K. Makechnie Instructor in Social Studies

Boston University
School of Education
Library

TABLE OF CONTENTS

		Page
CHAPTER I.	INTRODUCTION	1
CHAPTER II.	FEUDALISM	6
	LAISSEZ-FAIRE	9
	WILSON'S COLLECTIVE LEADERSHIP	16
CHAPTER III.	PROBLEMS OF THE UNITED STATES	23
	CHANGE OF TIMES	28
CHAPTER IV.	TRUE IDEA OF DEMOCRACY AND PROSPERITY	33
	INDUSTRY, OLD AND NEW	38
CHAPTER V.	CONSUMPTION VERSUS PRODUCTION	41
	COOPERATION VERSUS SELFISHNESS	44
	GROWING IDEA OF COLLECTIVE LEADERSHIP	48
CHAPTER VI.	EXPERIMENTS -- HISTORICAL AND MODERN	50
	PURPOSE OF THE N. R. A.	55
CHAPTER VII.	THE N. R. A.	60
	Laws	
	Business	
	Labor	
	Consumer	
CHAPTER VIII.	CONCLUSION	74
	BIBLIOGRAPHY	77

CHAPTER I.

INTRODUCTION

"God be with the bygone days." This is, in essence, the whine of the generation that is about to relinquish the reins of control. On all sides they see unrest, starvation, and distress. They see governments falling or in danger of falling. They see their creation, a Frankenstein of industrialized and mechanized perfection, virtually devouring their fellow-men. And now that this generation is about to render an account of its stewardship, it must stand at the prisoner's dock and listen to the indictment of a younger generation.

> This younger generation scorns "any attempt to hold old carrots of education, general or vocational, before the donkey's nose. This generation of students remembers the maladjustment of the war, the Depression, and 12,000,000 unemployed. These future citizens have learned to a surprising degree to distinguish between facts and fallacies. They are a realistic thinking body, which has seen an older generation fail miserably; which has seen every economic law, formerly used to keep the scales of human justice balanced, go down to defeat."[1]

> The younger generation realizes that "a nice, new sheepskin is no longer the key to a job. The pattern to the opportunity key seems to have been lost and youth means to find it. They are demanding their rightful heritage, the unquestionable right of any citizen of any country -- the right to earn a living."[2]

Indeed this is a terrible indictment, to be forced to turn over to the next generation the world, sociologically and economically, in a poorer condition than they received it. Yet, to counterbalance this, the older generation has no complaint. What span of life has ever seen so many major accomplishments, so many major events, as did the span of life that the older generation has been privileged to enjoy? They have seen the last geographical frontier of this nation wiped away. They have seen the rivers, the winds, and electricity harnessed. They have seen the white wings of the

[1]Beecher, Beatrice B., "Career Control," New Outlook, September, 1933.
[2]Ibid.

ocean superceded by the plowing, palatial mansions of the deep. They have seen the sacred domains of the fish challenged by the submarine. They have seen the realms of the eagle dominated by flying birds guided by the hands of man. They have seen the steam gang-plows take the place of the oxen. They have seen the homes of the nation raised to a standard of luxury beyond even their wildest dreams. They have heard the symphonies of the world sent through space to the lowliest farmhouse. They have seen horseless carriages, eight and more deep, speed overhead of another caravan of horseless carriages of equal number and speed. They have seen the choicest foods of summer opened for dinner in a home isolated by a blizzard. They have seen the medical men snatch human beings back from death. They have seen every corner of the earth send products to their very doors. They have seen rivers and harbors and even portions of the ocean itself tunneled under. They have seen mountains bored through or laid low. They have seen life itself relatively lengthened in the shortening of time necessary to accomplish acts. They have seen the economy of scarcity left behind and the economy of plenty ushered in. Oh, the irony of it! And as a result of the tension created by a miraculous material success and a miserable sociological failure, they have heard our civilization challenge them to socialize humanity.

The challenge has taken the specific form of one of those revolutionary periods through which the world goes, periodically, and whence it evolves a little better. Upon the generations now living falls the task of developing a new system of relationship which will mean a broader and truer concept of the idea of democracy. We have been challenged to become masters rather than victims of our destinies. The challenge to us is to attempt to reconstruct a crumbling economic and social structure. It has been pointed

out that we have passed the stage when production must be emphasized, and we must now turn our attention to the problem of distribution. This carries us into the field of economics.

"Economics is the most fascinating subject in the world because it has to do with the greatest of all dramas -- that of man's escape from want."[1] Whatever may be our aims in life, whatever our hopes for ourselves and our families, whatever be the comforts we expect to enjoy, mentally or physically, we are dependent upon an assured physical subsistence. "Throughout the greater part of human history, the problem of want has been the problem of food."[2] This means the existence of food, not the distribution. In former days the men of this country followed the animal trails to more promising farm lands. Men moved to food. But now it becomes necessary to move food to them. The whole question of an economic system was raised and answered by Stuart Chase.

> "What is an economic system for? It is to provide food, shelter, clothing, and comforts in as dependable and adequate quantities as natural resources and the state of technical arts permit."[3]

Certainly, we have developed the technical arts to such a high degree of efficiency that nature gives all and more than we need. And yet in the distribution of these goods we have failed. This is the problem that we are faced with today and the one which must be answered.

> "Economic progress seems to come in successive stages. Each stage of progress has consisted in the solving of some single phase of that great problem."[4]

The phase of the economic problem that we are faced with is the fact that our specific economic system has not equalized prosperity or abolished the poverty of a submerged element. This poverty is brought about, not by the non-existence of the needed true wealth of the nation, but, by the

[1]Carver, Wells, Lester, "This Economic World," p. 3.
[2]Ibid, p. 3.
[3]Chase, Stuart, "A New Deal," p. 22.
[4]Carver, Wells, Lester, "This Economic World," p. iii.

existence of low wages and, periodically, no wages. In fact, "the greatest single evil which American wage earners at present suffer is their lack of security."[1] In order to appreciate how we arrived at such a pitiable stage of insecurity, we must look into history.

In attempting to analyze the background of the movement in the world today, we are brought to the realization of how puny man really is. Puny in the sense that he works out one little deduction which seems, by the nature of things, to have been already decided. Running through the whole progress of our civilization, there seems to be an economic principle which man has been forced to work out in his own human way, yet, which must be worked out. Man has been forced through certain experimental stages and to certain conclusions. In fact, if we did not have intelligence, I would be tempted to believe that we were marionettes and that some master mind with intelligence was pulling the strings.

Under the feudal system, the majority of the people were without freedom in the true sense of the word. However, as a result of the activities of the entrepreneurs, we saw developed the laissez-faire system which gave to a certain element the desired freedom. By the dawn of the twentieth century, this system had reached such a stage that the idea of collective leadership was ready for Wilson and other war leaders to seize upon. After the war, there was a return to the laissez-faire system. The failure of the return to the laissez-faire brought us again to the "New Deal" of collective leadership.

> "This New Deal means a great deal to us, but it means more to youth than a mere catch phrase applied to various undertakings of the administration. It means we, as a nation, are at the crossroads, and behind us, eager to follow our footsteps, if we succeed, waits the rest of the suffering world."[2]

[1]Douglas, Paul H., "The Coming of a New Party," p. 26.
[2]Beecher, Beatrice B., "Career Control," New Outlook, September, 1933.

Hence, we are at the threshold of a new era with a challenge being flung at us. There is nothing for us to do but accept, and since we have accepted:

> "Our first duty is to educate ourselves and our neighbors to the realization that we are today in a new age. It has arrived. We will determine its success or failure. Success lies in our individual ability to cope with the machine which we have created."[1]

Hence, the problem before us is whether or not the ideal of collective leadership by the national government is the natural outcome of the economic policies of the past.

[1]Ibid.

CHAPTER II.

FEUDALISM

In order to fully appreciate the new ideal of collective leadership, it is necessary for us to review briefly the modern history of human effort.

> "This continuous movement of human effort has been in the main, throughout all history -- progressive even if it has been periodically subjected to cyclical interruptions. It resembles a mighty symphony played over and over again with each tune the new crescendo growing louder as it reaches a progressively fuller orchestration."[1]

And, in our quest for the first strains of that mighty symphony as far as modern civilization is concerned, our attention is called to the Middle Ages. During these centuries were made the first experiments upon which our social, economic, and industrial structure is builded. Hence, it becomes necessary to flash before our minds the life of those days.

> "During the Middle Ages, the prevailing form of economic thought was dictated by the feudal system, a loose union of kings and vassals in the form of a pyramid, with the king at the top and his vassals forming the structure below. Fealty and allegiance to the lord directly above in the pyramid formed the basis of economic society. Under this structure, it was obvious that the central government was too weak to interfere systematically in business. Guilds rose and robber knights (strangely similar to our racketeers) proceeded to milk them dry upon any pretext. Business was an exceedingly precarious profession in those days. The central government was too spineless to regulate it."[2]

Feudalism was nothing more than an anarchy, roughly organized. There were three distinct classes: first, the knights, who existed because of their ability and assumed right to fight; second, the clergy; and, third, the peasant class, who were permitted to live out of the kindness of the knightly hearts. The peasant class was despised by the knights.

Amid the disorders and insecurity that followed the overrunning of vandals over Europe, men followed their gregarious instincts.

[1]Doane, Robert R., "Experiments on Parade," New Outlook, September, 1933.
[2]Valenstein and Weiss, "Business Under the Recovery Act," p. 15.

TRADITION

It matter to fully appreciate the new idea of collective responsibility, it is necessary for us to review briefly the modern history of human effort.

> "This continuous movement of human effort has been in the main, through out all history -- progressive even if it has been periodically interrupted to gradual improvements. It resembles a slightly sprocket-driven gear and over again with each tooth the gear grasped ever-increasingly higher as it turns a progressively fuller organization."[1]

Now, it was never for the first average of that mighty symphony as far as social civilization is concerned, our attention is called to the Middle Ages. During these centuries were made the first experiments upon which our social, economic, and industrial structure is built. Hence, it becomes necessary to turn back our minds to those days.

> "During the Middle Ages, the prevailing form of economic thought was dominated by the feudal system, a loose union of kind and vassal in the form of a pyramid, with the king at the top and the vassals forming the strata below. Today and allegiance to the lord diverge in the pyramid form the basis of economic society. Under this arrangement, it was obvious that the capital, materials and tools were in reality systematically in the lord. Capital was the lord's tool (strictly similar to our contemporary) provided to his vassals upon any property. Industry was carried on exclusively according protection in those days. The general government was too primitive to regulate it."

In Italy the nobility more than an anchor, towards organized.

There were three distinct classes: first, the knights, who gained because of their ability and skill to fight; second, the clergy; and, third, the peasant class, who were permitted to live on the lands of the knights or the nobility lords. The peasant class was employed by the knights.

While the clergy and nobility had followed the overrunning of vassals over Europe, they followed their respective institutes.

[1] Hoopt J., "Experiments on Prices", New Haven, September, 1920.
Wisconsin and Iowa, "Business Under the Control Act", p. 15.

Self-preservation, and preservation of those dependent upon them, was the first thought that the people of the Middle Ages had. They wanted to live free from the dangers of being robbed and killed by the marauding and warring band. To stand alone would mean only to subject themselves to the atrocities of both warring factions. Hence, each man looked around to find a stronger man with whom to ally himself, or even, under whom to subject himself. He would present himself to his lord and on his knees recite an oath something like this:

> "Sire, I become your man from this day forth, of life and limb, and will hold faith to you for the lands I claimed to hold from you; and I will serve you in all ways that a free man should."

Sometimes, a man got his land directly from his lord and held it only if he subjected himself to his lord. This oath practically put the man body and soul under his lord and that they were free meant that they were free to live and not be sold. Gradually, the system became so well rooted that;

> "the medieval law, in which people's customary stations in life were thought of as divinely appointed and whatever was suitable to these stations was right."[1]

Imagine, if you can, the lot of the lowliest level of society, the poor man with no friend at court, if he happened to be born to this abject philosophy of life.

> "The typical medieval cultivator of the soil was born into a fixed status and was governed by it. He was allotted his strips of land in the tilled fields which he might cultivate in the time that was his own. There was very little chance for economic freedom to arise."[2]

As the time went on and the first necessity for the formation of society was removed, activities other than mere self-preservation began to engage the attention of the people. As a consequence, the more energetic of

[1]Clark, John Maurice, "Social Control of Business," p. 84.
[2]Ibid., p. 23.

the lower class began to establish themselves in business and organize themselves into guilds.

> "The chief organ of control in the medieval towns was the guild merchant and later the craft guild. These bodies limited their own membership and set standards of workman-like proficiency and quality of wares."[1]

The chief objective of the guilds was to wrest rights and privileges from the ruling class. They wanted to be left alone. They wanted no interference from the ruling class. The function of the ruling class was to see to it that the masses were kept under control in order that the entrepreneurs, the energetic business men, might pursue their activities to their own advantage. Herein is the germ of the idea that the government should keep its hands off business.

Consider the lot of the ordinary man caught, as he was, between the grinding wheels of business and government. He was ground down until he had very little left but life itself. Such conditions were intolerable and the explosion came during the French Revolution which wiped away the last vestige of feudalism.

> "With the culmination of the French Revolution, the middle class won its last great battle with feudalism, and a new way of economic organization called capitalism dominated the world. It was the way of the trader, the merchant, the entrepreneur, the man with goods to sell and capital to invest."[2]

Although the material abuses of the feudal system seems to have been wiped away, one idea did carry over into the next era. That idea was that the entrepreneur, the business man, should be left alone by the government.

[1]Ibid., p. 24.
[2]Chase, Stuart, "Scribner's," October, 1933.

LAISSEZ-FAIRE

The twentieth century became heir to many legacies from the nineteenth century. Many of them were promising advantages which we were only too willing to accept and develop. In fact, the nineteenth century was a progressive century and we cannot spurn nor minimize its endeavors. If there is anything that we can take credit for in the material development of this universe, then we can look to the nineteenth century for its beginnings. We are speaking now of material things. And like human beings that have devoted all their time to the massing of material gain, the proper attention was not given to the social development. Hence, we became heirs to a principle of economies that was not suitable to the modern trends of civilization. That principle was the principle of the laissez-faire.

Since the recent political opposition in this country to the principles of laissez-faire has been extremely popular and fairly successful, a person who even deigns to mention the advantages of the laissez-faire system becomes almost ostracized. Former adherents to the theory of laissez-faire have done a back handspring or are extremely silent. College professors have found it advisable to revamp their courses. Politicans have found a beautiful smokescreen for their "soap-box" oratory. And, yet, in spite of all this, laissez-faire had its place in the evolution of human society. The feudal system ground all down and it took the policy of strong individuals demanding the right to capitalize their own ambitions and abilities to bring about a release from the degrading effects of feudalism.

> "Laissez-faire was a healthy revolt from the regimentation and restrictions of feudalism. It took economic power away from the prince, noble and landlord and gave it to the hustling merchants and manufacturers. It helped to accumulate capital; aided science and technical progress, paved the way for the economy of

plenty. It made for certain admirable resourcefulness and independence on the part of fortunate entrepreneurs."[1]

As a result of this rebirth of individual ambition during the feudal period, we see that:

"the burghers in the small towns were seeking for industrial freedom from their feudal lords."[2]

The very oppressiveness of the knights during the middle ages killed the goose that laid the golden egg.

"thus the ground was fertile for a doctrine that whether on divine, natural, or scientific grounds, State action should be narrowly confined and economic life left unregulated, so far as may be, to the skill and good sense of individual citizens actuated by the admirable motive of trying to get on in the world."[3]

In fact, it seems as though the whole material progress between 1750 and 1850 came from individual initiative and owed little or nothing to the guidance of organized society. But not all those affiliated with the ruling class were opposed to the idea of laissez-faire. In 1750, we find that Marquis d'Argenson was the first man to wax passionate on the economic advantages of governments leaving trade alone. To govern well, one must govern less. And we almost hesitate to be dogmatic about our conclusions, since during the eighteenth century, men prided themselves upon the fact that they had begun to reason. There was a veritable stampede towards rationalization. During this so-called "Era of Enlightenment," economists came forth with a new and well-reasoned conception of economic society-economic individualism. These economists, who appeared first in France, gave stimulus to the doctrine of laissez-faire, which was destined, with modifications, to dominate economic thought for more than a century. It was in England, however, that the doctrine of rugged-individualism gained the strongest foothold.

[1]Chase, Stuart, "The New Deal," p. 61.
[2]Husslein, Joseph, S. J. P., "Democratic Industry," p. 168.
[3]Keynes, J. M., "Laissez-faire and Communism."

So prevalent was the idea that the churches taught these principles to the very young. In 1850, the "Easy Lessons on Money Matters for the Use of Young People" by Archbishop Whately we read:

> "More harm than good is likely to be done by almost any interference of government with men's money transactions, whether letting or leasing, or buying or selling of any kind."[1]
>
> True liberty is "that every man should be left free to dispose of his own property, his own time, and strength, and skill, in whatever way he, himself, may think fit, provided he does no wrong to his neighbor."[1]
>
> "It is curious to observe how, through the wise and beneficent arrangements of Providence, men thus do the greatest service to the public when they are thinking of nothing but their own gain."[2]

It seems as though the philosophers, economists, and the clerics were imbued with the idea that, for certain reasons, unbounded private enterprise would promote the greatest good of the whole. What better chance would a body of business want, and they were certainly well able to take advantage of it. They capitalized the idea and sold the idea to the people.

Before the end of the nineteenth century, laissez-faire was in full control. The expression in full was, "laissez-faire, laissez-aller," and means that anyone should be allowed to make what he likes and as he likes without government regulations. This system assumes a rapid growth in the population in the world and a large area which it would be almost impossible to develop. If there was any need of a safety-valve, the same would be found in this vast area. It assumed that somehow a stability would be found. Stuart Chase sums up laissez-faire:

> "The assumption is that the individual is always more efficient than the group, and, if he is left unhindered in his pursuit of gain or profit, it is deposed that;
> (a) he cannot become too rich because his competitors, having equal access to a free market will ultimately bring his profits back to normal,
> (b) all able citizens, thrusting their noses in the wind for possible

[1]Keynes, J. M., "Laissez-faire and Communism," p. 31.
[2]Chase, Stuart, "The New Deal," p. 24.

gain, will automatically exploit and develop all needful economic enterprises -- furnishing the happy populace with every practicable commodity and service, fabricated with maximum efficiency,
(c) Human nature being essentially selfish, obeying the primal rule of tooth and claw, the arrangement has unparalleled felicity in that the greedier the profit seeker, the better the public is served. To be greedy was indeed to be blessed, as all the copy book maxims demonstrated. This fulsome anointing of acquisitiveness -- a human characteristic hitherto regarded with disapproval -- was a master stroke."[1]

Hence, the government's activity was to be confined to the maintenance of public law and order. But, since the business men were not to be molested, and certainly the government would not regulate itself, there remained only that large body of "forgotten men" to be buffeted back and forth between business and government. In addition, it seemed almost self-evident that, since this country received its first impetus to colonization from a country that was saturated with the economic policies of Adam Smith, it should take over the economic policies of that country. And there is no doubt about it, progress and development was made in this country because of the fact that people were allowed to interpret freedom in the terms of license. The reckless souls that gambled their lives in the useless fights between individuals of our new West were imbued with this spirit. They opened the way for the more conservative type. It is a matter of argument whether we would not have been better off if we had moved our frontiers back a little more systematically and a little more slowly. However:

"Gazing over past events we can readily see how such a concept came to be accepted. In the beginning, we had a vast country with a small population and enormous resources. Land could be had for the taking, and upon that land a man was king; settlers were self-sufficient, or nearly so, and the less they had to do with the government, the better they liked it. As the tides of emigration pressed upon the early settlers, they moved West; and took with them the idea of laissez-faire."[2]

[1]Chase, Stuart, "The New Deal," p. 37.
[2]Tugwell, Rexford G., Asst. Sec. of Agriculture, "Scribner's," p. 33.

Laissez-faire did not fail. It was successful. A fire can be conceived of as a successful fire only after it has consumed everything within its range, and so, laissez-faire can only be conceived of as being successful, if the individual has been raised to a position of dominance over the whole society. Laissez-faire has done this and, hence, has been successful. In fact, it has brought us back to ancient paganism when individualism was the characteristic trait. It has meant the supremacy of the entrepreneur as against the social group. Business under the laissez-faire ran rough-shod over all. It put labor in the category of a commodity. It made religion out of production. It neglected consumption. It exploited the raw materials, the labor, and the brains of the country. It developed wasteful competition. It increased other people's taxes. It made greed a virtue. It ground the mass of people in the meshes of its massive 'iron men'.

> "Business under the era of rugged individualism was blind and selfish. Profits and more profits over a short period of time appeared vastly more important than a larger and much needed measure of social justice over a long period of time. Under this every-man-for-himself system, it was inevitable that there be fluctuating prices, unstable currencies, unfair wages, unreasonable hours of labor, cut-throat competition, and other abuses. The enlightened and more progressive elements found their efforts nullified by a recalcitrant minority who placed individual gain above common welfare."[1]

> Furthermore, "since every business is constituted of money-capital and labor-capital, it is unreasonable that the former alone, as under capitalism, should have the entire power of control and the latter be subjected to a state of complete dependence. Men are more than money, and persons more precious than machines."[2]

As a matter of fact, when laissez-faire started it may have been possible for government to keep its hands off industry; but, as the years passed by and our social and economic system became more complex, it became

[1]Valentein & Weiss, "Business Under the Recovery Act," p. 18.
[2]Husslein, S. J., "Democratic Industry," p. 350.

impossible to divorce the two. When times were good, industry was like an unbroken colt under any restraint by the government. But, as soon as the storm-clouds appeared on the horizon, business cried to the government for help.

> "Under individualism, the state does as little as it can in the way of coercion control, but, it always has to do a great deal. The ideal of the individualist is a state which does nothing but protect property and enforce contracts; but, there never has been such a state, and never can be."[1]
>
> Again, "We have just passed through some terrifying years. But, these years did serve to teach some lessons. Even the hard-boiled American industrialist and bankers are for the moment repentant. They have begun to ask anxiously for direction. Consider how our business men and their post-war business administration insisted on walking into the dilemma of an exhausted purchasing power; consider how completely they then commanded our common fortune; consider how, in ungoverned allegiance to the 18th century dogma of free competition, they nearly wrecked us."[2]

In our schools, we have attempted to teach cooperation and brotherly love, and when our children get out into the world they find that they must leave their ideals in the classroom.

> "The era of rugged individualism proved one thing conclusively -- there is no limit to the acquisitiveness of man once he is given free play. Men, like nations, are apparently eternally imbued with the virus of self-interest. This moral poison has been especially effective in the system of unregulated business, where every man is for himself and the devil take the hindmost. Idealism and noble motives had no place in this bitter and ruthless struggle for profits without regulation."[3]

The laissez-faire has brought home to us two fundamental facts about our social life.

> The first is, "that in the very nature of the present individualistic struggle, only few can succeed, while the vast majority must lose the prize for which they strive."
> The second is, "that by cooperation those who are industrially weak can make themselves collectively strong and can thus obtain benefits by common action which are impossible under the largely self-defeating methods of our present day life."[4]

[1]Clark, J. M., "Social Control of Business," p. 15.
[2]Tugwell, R. G., "New York Times," September 16, 1933.
[3]Valenstein & Weiss, "Business Under the Recovery Act," p. 17.
[4]Douglas, P. H., "The Coming of a New Party," p. 21.

Feudalism had its day and has passed. Laissez-faire has had its day and is now passing. Like feudalism, it is dying hard, and cannot be fully wiped away until that generation of men whose minds have grown grey with the hairs of their heads have passed away. Just as a future generation is striving for recognition long before the generation in power is ready to relinquish the reins, so the new economy was born and waxed strong, long before its real import was known. The first signs of the breaking down of the Laissez-faire may be seen in the Reform Laws of England. And, as could be expected, the college professors were among the first to read the signs.

> "Prof. Cairnes, at University College, London, in 1870, was perhaps the first orthodox economist to deliver a frontal attack upon laissez-faire. 'The maxim laissez-faire has no basis whatever, but is at best a mere handy rule of practice.'"[1]

Once opposition is released it will grow. And so, by the beginning of the twentieth century, much progress had been made against laissez-faire. This was especially true among the thinking men.

[1]Keynes, J. M., "Laissez-faire and Communism," p. 35.

WILSON'S COLLECTIVE LEADERSHIP

The twentieth century was ushered in with the very atmosphere charged with conflict. National rugged-individualism had been pushed to the breaking point. They on the watchtowers of civilization were preparing to assault the principles of laissez-faire and among them was Woodrow Wilson who was destined to become a man of history. He saw the needs of the country and the world and set forth the future policies that the United States was to follow. He had a new concept of democracy which the people of this country were willing to accept. It is remarkable to note that Woodrow Wilson, before he became president, expounded practically the same principles of economy that we now hear talked on every street corner.

> "Pres. Wilson in 1912 saw in the highly centralized economic system, the despot of the twentieth century, on whom the great masses of individuals relied for their safety and their livelihood, and whose irresponsibility and greed (if it were not controlled) would reduce them to starvation and penury."[1]

Woodrow Wilson recognized the fact that we had broken away from the past, and that it was necessary to reconstruct our whole economic fabric.

> "We are in the presence of a new organization of society. Our life has broken away from the past. We have changed our economic conditions, absolutely, from top to bottom; and with our economic society, the organization of our life."[2]

Wilson was perhaps the first political leader of our century to expound the policies of the new age and these he enunciated most clearly in the book, "The New Freedom" as may be seen from the following excerpts therefrom.

> "Yesterday, and ever since history began, men were related to one another as individuals. Today, the relationship of men are largely with great, impersonal concerns, with organizations, not with other individual men."[3]

[1]Roosevelt, F. D., "Looking Forward," p. 26.
[2]Wilson, Woodrow, "The New Freedom," p. 3.
[3]Ibid., p. 6.

WILSON'S GOLDEN VERSUS LAUSSEZ-FAIRE

The twentieth century has ushered in with the very apocalyptic
charged with conflict. The Jeffersonian-Hamiltonian debate has been passed to
the dreaming point. They on one watchtowers of civilization were preparing
to assault the ordained of intrigue-fire and among them was Woodrow Wilson
who was destined to become a man of history. He saw the needs of his coun-
try and his world and set forth the strong policies that the United States
was to follow. He had a new concept of democracy which the people of this
country were willing to accept. It is remarkable to note that Woodrow
Wilson, before he became president, recommended practically the same princi-
ples of economy that is now that is at every street corner.

"Free. Wilson is right say in the firmly centralized economic system,
the despot of the industrial society, or even the great masses of
individuals united for their safety and their livelihood, and
whose irresponsibility and greed (if it were not controlled)
would reduce them to starvation and penury."[1]

Woodrow Wilson recognized the fact that he had broken away from
the past, and that it was necessary to erect their own single economic ladder.

"We are in the presence of a new organization of society. Our
life has grown away from the past. We have changed our economic
conditions, absolutely from top to bottom, and with our economic
society, the organization of our life."[2]

Wilson was perhaps the first political leader of our country to
expound the policies of the new age and have be considered most clearly in
the book, "The New Freedom" as may be seen from the following excerpts
therefrom.

"Liberty, and our since liberty comes, men are related
to one another in activities. Today, the activities of men
are linked with right, independent choices, with organizations,
not like some industrial man."[3]

[1] Wilson, Woodrow, "The New Freedom", p. 5.
[2] Wilson, Woodrow, "The New Freedom", p. 5.
[3] Ibid., p. .

"There is something very new and very big and very complex about these new relations of capital and labor. A new economic system has sprung up, and we must effect a new set of adjustments. We must not pit power against weakness. The employer is generally in our day, as I have said, not an individual, but a powerful group; and yet, the workingman when dealing with his employer is still, under our existing law, an individual."[1]

"In this new age, we find, for instance, that our laws with regard to the relations of employer and employees are in many respects wholly antiquated and impossible. They were framed for another age, which nobody now living remembers, which is, indeed, so remote from our life that it would be difficult for many of us to understand it if it were described to us."[2]

"We used to say that the ideal government was for every man to be left alone and not be interfered with, except when he interfered with somebody else; and that the best government was the government that did as little governing as possible. But, we are coming now to realize that life is so complicated that we are not dealing with the old conditions, and that the law has to step in and create new conditions under which we may live, the conditions which will make it tolerable to live."[3]

"What I am interested in is having the government of the United States more concerned about human rights. Property is an instrument of humanity; humanity is not an instrument of property. And yet, when you see some men riding their great industries as if they were driving a car of juggernaut, not looking to see what multitudes prostrate themselves before the car and lose their lives in the crushing effect of their industry, you wonder how long men are going to be permitted to think more of their machinery than they think of their men."[4]

"For life is no longer the comparatively simple thing that it was. Our relations, one with another, have been profoundly modified by the new agencies of rapid communication and transportation, tending swiftly to concentrate life, widen communities, fuse interests, and complicate all the processes of living. The individual dizzily swept about in a thousand new whirlpools of activities. Tyranny has become more subtle, and has learned to wear the guise of mere industry, and even benevolence."[5]

"The life of the nation has grown infinitely varied. It does not settle now upon the governmental structure or of the distribution of governmental powers. It centers upon questions of the very operation of society itself of which the government is only the structure."[6]

"We stand in the presence of a revolution; not a bloody revolution; America is not given to the spilling of blood -- but a silent revolution, whereby America will insist upon recovering

[1]Wilson, Woodrow, "The New Freedom," p. 8.
[2]Ibid., p. 7.
[3]Ibid., p. 20.
[4]Ibid., p. 274.
[5]Ibid., p. 280.
[6]Ibid., p. 4.

in practice, those ideals which she has always professed, upon securing a government devoted to the general interest."[1]

"Society is looking itself over, in our day, from top to bottom, is making fresh and critical analysis of its very elements; is questioning its oldest practices as freely as its newest, scrutinizing every management and motive of its life; and it stands ready to attempt nothing less than a radical reconstruction, which only frank and honest counsels and the forces of generous cooperation can hold back from becoming a revolution. We are in a temper to reconstruct economic society, as we were once in a temper to reconstruct political society and the political society may itself undergo a radical modification in the process."[2]

"The originative part of America, the part of America that makes new enterprises, the part into which the ambitions and gifted workingman makes his way up, the class that saves, that plans, that organizes, that presently spreads its enterprises until they have a national scope and character,- that middle class is being more and more squeezed out by the processes which we have been taught to call the processes of prosperity no doubt; but what alarms me is that they are not originating prosperity. No country can afford to have its prosperity originated by a small controlling class."[3]

"One of the most significant signs of the new social era is the degree to which government has become associated with business."[4]

We might readily assume that these words were written in 1933 instead of in 1912. They seem new and full of life. We could stop and wonder what could have been our progress along these lines if the World War did not break in on us. However, they are sufficient to show us that the idea was well known to the leaders of thought during the earlier part of the century. Whatever may have been the hopes of President Wilson will never be known, since the war overwhelmed him with immediate problems that did not give the man of peace and war a chance to work out his new policies for the country.

On April 2, 1917, President Wilson delivered his famous war message to Congress and in that message he stated that, "The world must be made safe for democracy." Those of us who followed Wilson's leadership, even into

[1]Wilson, Woodrow, "The New Freedom," p. 30.
[2]Ibid., p. 29.
[3]Ibid., p. 17.
[4]Ibid., p. 24.

the trenches of France, did not fully appreciate the meaning of those words, "safe for democracy." We thought that he meant that we were fighting to make every form of government a democratic form of government similar to our own. We were not able to read the underlying thought of the master-mind. The master-mind has passed on, but the words "safe for democracy" are still ringing in our ears. Their meaning has a greater significance today;- a real Wilsonian significance. Now, in 1934, we realize that Wilson meant that each and every person should have a right to live.

The Wilsonian mind was prepared for the task before it. Wilson realized that the war must be fought by the nation as a whole. All eligible to fight should be liable to draft. Hence, he initiated the most democratic form of draft ever conceived. He made it an honor to be selected and then assigned to the job on which a man would be best fitted to aid his country. He then set about in organizing the industrial, transportation, and distribution systems and all. Everything was organized along the lines of winning the war. Here was an excellent example of a cooperative nation being led onward by inspirational collective leadership. If the forces, national, industrial, and human, could be marshalled for the destructive purpose of waging war, how much more ought they to be done for the constructive purpose of advancing the social welfare of humanity. War taught us a lesson in collective leadership which we will not forget. One generation may pass it by, but the lesson will be picked up sooner or later and acted upon. Such commissions as the Council of National Security, Industrial Commission, Fuel Administration, etc., were nothing more than collective leadership. And the underlying principles behind these war-time emergency set-ups were understood and accepted.

The war over, the people at once set out to register a conviction. They were sick of the government taking their young men and throwing them into the muddy ditches of France, to be blown to pieces by an alien enemy. They were sick of having the government tell them when and how they were to work. They were sick of having the government tell them what they should eat and how much coal they should use. Were not their pockets bulging out with blood-money? They were rich. A new prosperity had befallen the nation. Every bricklayer owned his own car, smoked long-leaf "Havanas", sported dress suits, etc. Oh, those were the glorious days. It was time to have that meddlesome government at Washington take its hands off and let people enjoy the new found prosperity.

The people did not realize that the times had changed. They did not realize that the war taught one great lesson. That lesson was that industry could be geared up to such a speed as to care for the wants of the world, yes, even the desires of the world, in a small part of the time that formerly was required to supply the basic needs. They failed to realize that it was controlled groups of the nation that won the war. They felt the importance of their own individual selves and they wanted freedom and even license to carry on in their own way. They failed to realize that the old rugged-individualism of the nineteenth century lay prone, a surrendered and subjected ideal, on the battlefields of France. The 11th hour of the 11th day of the 11th month was the time of its complete capitulation. They failed to realize that the old rugged-individualism, as represented by warring Germany from 1914 to 1918, and which knew no limits, no laws, no social justice, had been annihilated by a new type of rugged-individualism, as represented by the United States, and which permitted the rugged individuals

However, the people at home not only failed to realize a solution. They were also of the government making their young men and women, who into the newly liberated or freed, to be blown to pieces by an alien enemy. They were also actively the governmental [illegible] and now they were [illegible]. They were also of death. The government had been what they should [illegible] but good they provide [illegible]. Were not their poverty [illegible] with blood-money? They were rich. A few prosperity and [illegible] the nation every [illegible] owned his own [illegible], [illegible] long- and "[illegible]", [illegible] [illegible] suits, etc. Oh, those were the glorious days. It was time to have that [illegible] government of [illegible] take its hand off and let people enjoy the [illegible] prosperity.

The people did not realize that the times had changed. They did not realize that the war lasted one [illegible] longer. This lesson was that [illegible] could be [illegible] up to such a speed as to [illegible] the [illegible] of the [illegible]. Yet, even the leaders of the world, in a small part of the time that [illegible] was required to supply the [illegible]. They failed to realize that it was [illegible] of the [illegible] that won the war. They [illegible] the importance of their own individuality. And they [illegible] freedom and [illegible] to carry on in their own way. They failed to realize that the old [illegible]-individualism of the nineteenth century [illegible], a [illegible] and [illegible], or the [illegible] of [illegible]. The [illegible] of the [illegible], or the [illegible] was the time of its [illegible] [illegible]. They failed to realize that the old [illegible]-individualism, as represented by [illegible] [illegible] from [illegible] to [illegible], and which [illegible] in [illegible], no [illegible], no [illegible], had been [illegible] by a new type of [illegible]-individualism, as represented by the United States, and which [illegible] the [illegible] [illegible]

to carry on within the boundaries of social justice. They failed to realize that there were two types of rugged individuals. One, as represented by Al Capone, knew no law save the law of self, and the other, as may be represented by the stalwart policeman, who uses his rugged individualism within and for the law. Yet, the people wanted to return to the rugged-individualism of pre-war days.

> Hence, "In electing Mr. Harding, the American people registered a conviction. It was that the war was over; that it had no consequences of any radical importance to American destiny, and that there should be an immediate return to normalcy. They meant that they wished to act as if they could resume just about where they left off in 1914."[1]

The people of the United States elected leaders who used their every power to bring back the good old days of rugged-individualism. They followed every policy, used every means possible; but, they were working on a dead issue. We saw the antiquated gold dollar trying to perform impossible tasks. A dollar based upon our old world with its limited wealth was trying to fit the needs of a new world with new, untold wealth. We saw debts based on this new wealth compared with debts based on old wealth. It was like a parade of the "gay nineties" and would have been just as ludicrous, if it were not so terrible. It was, in a way, the parade of the French Revolution without the blood.

The people were ground down and down and, yet, they persisted on a return to the laissez-faire principles. Their leaders were heroic and they have made a contribution to our nation as great as any ever made. The people wanted them either to bring back laissez-faire or to prove conclusively that it could not be brought back. Many a political career was sacrificed in the battle to carry out the mandate of the people. The leaders did prove finally that laissez-faire was dead. We had to be shown and we were shown. It is

[1]Lippman, Walter, "New Deal," American, May, 1933.

easy for us to say now how foolish we were, but, in the long run, we will not appear to have been so foolish, since we have gone through experiences that may net much good for our nation.

> "The return to laissez-faire is the counsel of despair. Besides being repugnant to reason, the philosophy of laissez-faire has been tried and has failed to fulfill its promises. It is also obsolete having been abandoned by technology and business enterprises. Condemned by experience as a pledge of security and prosperity, it cannot be revived; children burned and blackened in that fire, will not return again to it. Even if attractive as a theory, it has been rendered impossible by the march of events beyond the reach of any person, functionary or class."[1]

The "closing of the banks marked the final failure of the post war policies"[2] and brought us

face to face with an inventory of our shortcomings.

[1]Beard, Charles A., "A Five-Year Plan for American," Forum, July, 1931.
[2]Lippman, Walter, "New Deal," American Magazine, May, 1933.

CHAPTER III.

PROBLEMS OF THE UNITED STATES

We can now see that when we turned into the new century we turned into new times. But, with the overlapping of ideas from generation to generation, or from continuity to continuity of humans, it was impossible for us to see the line of demarcation. No, not even was the lesson of the World War brought home to us at once. The world does not advance that way. We work out our destinies rather slowly and sometimes rather costly. We are always living in the age of profligate youth.

> "In retrospect, we can see now that the turn of the tide came with the turn of the century. We were reaching our last frontier then; there was no more free land our industrial combinations had become great, uncontrolled and irresponsible units of power within the state."[1]

We have seen, during the past year, millions of men and women tramping the streets looking for work -- for bread. We have seen them seeking help at the police stations, at the churches, at the welfare offices, in the bread lines;- yes, even driven from the capital of the nation at the bayonet's point. We have seen a general reduction of standards. We have seen millions of families destitute, cold and hungry, with no money and no credit, and through no fault of their own. This indeed would be bad enough in the flood area of some backward country like China, or in war-ridden Europe in 1918. But in this nation of ours, with its highly developed system of transportation, its boasted civilization, and in peace times, it is inconceivable. Added to this is the fact that gold is bulging in our banks, wheat is piled in our granaries, machinery is rusting, crops are withering in the fields, and cattle are being slaughtered for fertilization. With the best brains, resources and equipment in the world, we have got into a mess. And what a mess this is. It is near-starvation for the many in a land of

[1]Roosevelt, F. D., "Looking Forward," p. 25.

[illegible] OF THE UNITED STATES

[illegible] can not see that when we trebled into the new country we [illegible] into new wants. Now, with the overcrowding of [illegible] from immigration to [illegible], or the [illegible] to continuity of [illegible], it was impossible for us to see the line of demarcation. Now, not even was the lesson of the world our [illegible] to be at odds. The world does not advance just as we work out our destinies [illegible] and economic [illegible]. We are always alive in the eye of [illegible] years.

> "In retrospect, we can see that the [illegible] of the tide came with the turn of the century. We were running our last frontier then; there was no more free land; our industrial corporations had become great, concentrated and [illegible] units of power within the state."

We have been, during the past year, millions of men and women [illegible] the street looking for work -- for years. We have been [illegible] held in the polls elections, at the [illegible], at the welfare offices in the broad lines -- yes, even [illegible] the [illegible] of the nation at the [illegible]'s polls. We have been a [illegible] population of [illegible]. We have lost millions of [illegible] [illegible], [illegible] money, with no money and no [illegible], are [illegible] no [illegible] of [illegible]. With [illegible] would be our [illegible] in the [illegible] of some [illegible] country, like [illegible], or in [illegible] [illegible] in [illegible]. For in [illegible] of [illegible], [illegible] [illegible], developed [illegible] of transportation, [illegible] [illegible], and [illegible], it is [illegible]. [illegible] to [illegible] in the [illegible] [illegible] is [illegible] in our [illegible], [illegible] [illegible] in our [illegible], [illegible] is [illegible], [illegible] are [illegible] in the [illegible], [illegible] are [illegible] [illegible] for [illegible]. [illegible] the best [illegible], [illegible] and [illegible] in the [illegible], we have [illegible] [illegible] [illegible] [illegible]. It is [illegible] [illegible] [illegible] [illegible] of a [illegible] of [illegible]."

"Roosevelt, R. P., 'Looking Forward,' p. [illegible]."

plenty. The gold has come into the hands of few and the majority are in great poverty. Our people are politically free, but are bound up by an economic insecurity. That insecurity is a highly controlled production, a matured production, being carried by the toddling baby-consumption. Machine is laughing at the muscles of man. Machine is making man's work largely unnecessary, and yet is failing to provide him with ample means of making a living. In short, our problem is, how can man eat without working.

As we stand on the threshold of a new era and see the tottering walls of our social structure all around us, we are tempted to take an envious glance back over our shoulders to the days of one hundred years ago,- back to the days of the early nineteenth century. Those were the happy days in this country. A virgin country with unlimited possibilities. A sparsely populated nation possessed of only the powers of man and nature. Machines were unknown. At that time man was welcomed by society because he was a man and because there was work to be done. Man knew his niche was ready for him if he wished to fill it. With the whole West practically unscratched, he felt the challenging forces of untrained and unharnessed nature urging him to his best efforts. He was a man. His humanity was appreciated and recognized.

But today things are different. The last wave of humanity has reached the Pacific and has turned back on itself. There is little left to challenge the unorganized groups of human beings. Today, man, instead of being looked upon as a welcomed asset to society, is looked upon as a drug on the market, a burden. Hence, men are not welcomed today. There is no place for men to escape the associations of their fellow men and they are forced to live with one another. The machines have taken away the work and

millions of men stand crazed by the thought that they are absolutely useless. It is hard enough to be born into this world with that terrible question "Why and Whither?" unanswered; but, if added to this, is the realization that they are of no value, there seems to be no other course than to leave. It would be bad enough if it were to be only for the present generation, but when fathers pause and wonder regarding their children, they stand aghast and wish that their treasures had never been born. Therein lies the biggest problem of all. How can this civilization make life worth while for men? How can we create a civilization that will challenge humanity? And until we do, our civilization has failed.

But what has caused this terrible condition? Nothing else but our help-mate, the machine. In the past twenty years, Americans learned how to produce an abundance -- a super-abundance, not only of the necessities of life, but also of the luxuries of life. There is enough and more than enough for everybody to have plenty, to enjoy leisure, and to enjoy security.

> "A billion and a half horses of mechanical energy, added to the time-honored stock of man and animal power, have at last, put us into a position where, if we care to concentrate our energy, we can raise more food than we can eat, build more houses than we can inhabit, fabricate more clothing than we can wear out."[1]

When machine was first introduced into our civilization, it was welcomed because it brought more goods to more people. But, following our natural instinct of overdoing a good thing, we developed the machine until our civilization is bound around by bonds of machinery. The very presence of machines is choking our civilization. Machines have made men inefficient and dependent. Time was when a man could make everything that he needed from a rifle to a wagon. He, in his little community, was self-sufficient. He lived and his life was full of activities for life itself. But, today,

[1]Chase, Stuart, "New Deal," New York Times, p. 1.

the machines have changed all that. Today, man can produce of himself but a very small fraction of his needs. He is helpless and is always leaning on his neighbors.

> "Machines have enormously increased our interdependence and the need for control. Machines have forced labor into collective bargaining which means being largely dependent on its representatives."[1]

Machines have brought us to this condition and have placed us in a terrible dilemma. Machines refuse to be replaced and man cannot be replaced. And herein is the only challenge of the age,- a challenge as great as any ever thrown in the face of man. Can we live with machines? Can the machine be made to serve and not devour us? We must match our wits and see if we can organize and control machinery as machinery has organized and controlled industry.

The questions facing our United States, today, are so vital as to tend to frustrate the wholesome development of our civilization. We have overbuilt. We have over-expanded. We have allowed free-competition to be voluntary destruction, or even race suicide. We have permitted panics to come and go as though they were ordered by nature. We have honored riches even though they were secured by unlawful means. We have failed to maintain our purchasing power and have cut production. In fact, we have been heading toward an economic oligarchy.

> "The real question before us is whether or not we shall allow our economic difficulties and our organization inefficiency to frustrate the wholesome and essential development of our civilization. As I see it, our social aims should spur our attack upon these problems."[2]

> "The conquest of a continent and the comparatively rapid change from an agriculture to an industrial nation handicaps, overbuilding, overexpansion, abuses under the system of free competition, propaganda of big business to be left alone, precarious fiscal policies, concentration of population in the cities, accentuation of class feeling, the crisis of agriculture, unemployment, recurrent business

[1]Clark, J. M., "Social Control of Business," p. 57.
[2]Roosevelt, F. D., "Looking Forward," p. 110.

the machines have caught all else. Today, man can produce at almost not a very small fraction of his needs. He is helpless and is giving, leaving, or his neighbor.

Machines have increasingly increased our interdependence and the need for control. Machines have turned lives into solipsistic organizing nation means being largely dependent on the representatives.

Machines have brought us to this condition and have placed us in a terrible dilemma. Machines refuse to be replaced and cannot be replaced. An origin in the call, pledge of the age, - a challenge as great as any ever known in the course of man. We we live are machines. We are machines we fail to serve and not dominate. We must take our wits and if we can organize and control machines, we machines lack organization and controller immediately.

The questions facing our United States, today, are as vital as had to frustrate the problems development of our civilization. We have overpolls. We have over-numbered. We have allowed free-competition to go voluntary destruction, or even face suicide. We have permitted people to exist and do as they pleased. They work ordered by nature. We have honored riches even though they were secured by unlawful means. We have failed to balance our purchasing power and have out production. In fact, we have been moving toward an economic collapse.

"The real question before us is whether or not we shall allow our economic difficulties and our organizations inefficiency to frustrate the problems and progress development of our civilization. I see it, that social elements will soon attack upon these problems.

"The conquest of a country and the consequently social change from an agricultural to an industrial nation conditions, overwhelming overcrowding, increase under the stress of time competition, prosperity of all, balance to deficit flow, economics fixed policies, concentration of population in the cities, accentuation of class feeling, the crisis of agriculture, unemployment, recurrent business

[1] Ibid., p. 87. "Social Control of Machines," p. 87.
[2] Ibid., p. 88. "Looking Forward," p. 110.

cycles, the evils of mass machine production, these are but some of the problems American industry has had to face."[1]

The great problem of the United States is the culmination of that great dream of democracy. Ever since the Revolutionary War, we have boasted of American Democracy. But, as a matter of fact we were not and are not, a democracy. A true democracy, it has been said, is impossible beyond the voice of one man who is leading toward democracy. In the past, one man's voice could hardly carry beyond the hall in which he was speaking. And so, instead of having one democracy, we have had many democracies; bound together by a common destiny. Today one man can, through a national "hook-up", talk to all in the country who will listen. The result of this modern means of communication has been to acquaint the American public with the "job" that the American government and American business have done on the mass of people. Hence, an awakening is at hand, and the thinkers of the country are trying to make the country a truly democratic one -- democratic for each and every individual. They are trying to centralize the country. We are at the crossroads. Our political, economic, cultural and social interests are too much alike to be as thoroughly decentralized as we are.

"There now came a feeling that government was conducted for the benefit of the few who thrive unduly at the expense of all. The people sought a balancing -- a limiting force. Gradually, there came through town councils, trade guilds, national parliaments, by constitutions and popular participation and control, limitations on arbitrary power. Another factor that tended to limit the power of those who ruled was the rise of the ethical conception that a ruler bore a responsibility for the welfare of his subjects. The American Revolution was a turning point in it. After the Revolution, the struggle continued and shaped itself into the public life of this country."[2]

[1]Valenstein and Weiss, "Business Under the Recovery Act," p. 6.
[2]Roosevelt, F. D., "Looking Forward," p. 18.

THE CHANGE OF TIMES

Franklin D. Roosevelt has quoted Thomas Jefferson as saying:

> "We have no paupers -- the great mass of our population is of laborers; our rich who cannot live without labor, either manual or professional, being few and of moderate wealth. Most of the laboring class possess property, cultivate their own lands, have families and from the demands of their labor are enabled to extract from the rich and the competent such prices as enable them to feed abundantly, clothe above mere decency, to labor moderately and raise their families."[1]

What a change there is today. Today, our rich men are exceedingly rich and our poor men exceptionally numerous. Our laborers for the most part, own no property and are relatively poor. It is true that our laborers appear to possess more, in clothes, food, etc., when we compare the standards of living of colonial days with those of today. But, in reality, there is a great gap between the rich and poor today. Relatively, the gap today is as great as it was just prior to the French Revolution. Owing to the large numbers of laborers, they are unable to barter successfully, our rich have a peculiar distorted idea that they are magnets to which money clings and from whom money can be taken only with a terrific pull. To them the poor are God's blessed, and they intend to let God take care of them. They feel that they can take care of themselves.

In colonial days the people depended upon nature to furnish them with their wants; but, today, we depend upon man. Now, nature itself is sometimes unreliable. Crops may fail, the heavens may withhold their waters, the sun fail to shine sufficiently, or the frosts destroy whole crops; yet, man is by no means as stable as unreliable nature.

> "The mounting instability in a rapidly enlarging industrial civilization -- dependent more and more upon man's rather than upon nature's productivity -- has vastly accelerated this movement toward experiment, a movement which may become one of the outstanding decisive

[1]Roosevelt, Franklin D., "Looking Forward," p. 20.

struggles of our times."[1]

When the heart of the country was young and pulsating with vigor and opportunity, we grew a crop of healthy, independent business men. We were primarily a nation of employers and our people were dependent upon nature's produce and price. Today, that is changed. We are, now, a nation of employees. And, our employer is a massive, soulless creation known as business. We are dependent upon wages for prosperity, and wages mean the proper functioning of business. In addition, while we have not changed the control, we are attempting to use 18th century control methods in the 20th century.

> "From a nation of small independent enterprises we have become a nation of employees. The masses of the people depend primarily, not upon prices, but upon wages and salaries for the prosperity while the organization of industry has grown ever more hierarchal."[2]

Formerly, if you lived on the earth and owned a piece of it, you did not have to worry about want. You could raise your own crops and get a living. The small farmer with a neat little farm was the safest person in the world. He was safe from all encroachments. He could raise his crops and sell or eat as he saw fit. His counterpart was the small merchant in the town. This merchant sold those many articles of want to the people who lived out of the range of the activities of the large business houses. Today, that has changed. Owing to the perfection of farm machinery, it is more economical to buy all the small farms over a vast area and work these farms by modern machinery. Hence, there is being developed in this country a farmer-labor-class. Also, the small merchants even in the country towns are being forced "to the wall" by the chain stores and are becoming managers for these stores. Two of the sturdiest groups of our nation are fast disappearing.

[1]Doane, R. W., "Experiments on Parade," New Outlook, September, 1933.
[2]Douglas, P. H., "The Coming of a New Party," p. 6.

"Until recently the farmers and the merchants of the towns and cities have remained outside these centrifugal tendencies of modern industry and have preserved, thereby, much of the spirit of the earlier America. But, the ruthless development of industry and commerce is rapidly destroying the economic independence of these two classes as well."[1]

"With small farmers stripped of most of their former prosperity, the process of consolidating the small holdings into those larger units which alone seem able to survive the production of wheat, and perhaps also corn, will be hastened. And as this process of consolidation goes on, there will be created a large number of landless, propertyless farmers who will be at the furthest removed from the sturdy and independent pioneers who carved out the middle west."[2]

"There is being created in agriculture, as in industry, a permanent wage-earning class, composed of those who are unable to afford the expensive machinery and the large amount of land needed for successful farming. This working class will have distinct economic and social interests which ultimately will demand political and economic expression."[3]

"Thus in the great fields of manufacturing, transportation and mining, the day of the small enterpriser is, or bids fair to be, soon drawing to its close, and the opportunities are narrowing even in commerce and agriculture."[4]

However, the development of industry and agriculture had led us from the economy of scarcity to the economy of abundance. This is a change that we have not yet learned how to control. It is our task to find out how to make this plenty, a true plenty, rather than, want. Time was when man could move himself to nature but that has changed. Man is trying to control things in his own way. He is trying to bring nature to him. Man has developed nature, industry, and has stimulated the desires of the people. Yet, depression is with us. And this is due to the fact, that contrary to ordinary belief that the mere accumulation of power is all that is needed to cause the wheels of civilization to function, we must apply some system of control. If we intend to have specialization, we must have co-ordination. If we intend to have a social unity among our people, we must extend this

[1]Ibid., p. 10.
[2]Ibid., p. 18.
[3]Douglas, P. H., "The Coming of a New Party," p. 20.
[4]Ibid., p. 18.

"Until recently, the factories and the producers of the towns and cities have remained outside these constructed industries of modern industry, and have preserved, thereby, much of the habit of the earlier decades. But, the rapidly developing of industry and commerce is rapidly destroying the economic independence of these two classes of small.[1]

"With small farmers stripped of land of their former prosperity, the process of economic simplification moves into those larger units which have been characteristic of the industrial and personal life thus, will be hastened. And as this process of consolidation goes on, there will be created a large number of landless, propertyless farmers who will be at the lowest ebb of poverty from the county and independent pioneer who served as the middle part.[2]

"There is below direct in manufacture, in industry, a portion of the agricultural classes, composed of those who unable to afford the expensive machinery and land in the hut of land needed for successful farming. This working class will have significant economic and social interests which inevitably will demand political and economic expression.[3]

"Thus in the area of fields of manufacturing, transportation and mining, the day of the small enterprise is, or bids fair to be, soon drawing to its close, and by economists are drawing even in commerce and agriculture.[4]

However, the development of industry and agriculture has led us from the economy of scarcity to the economy of abundance. This is a change that we have not yet learned how to control. It is our task to find out how to make this step, a true growth, rather than a fall. There was when man could move directly to nature but that has changed. Man is trying to control things in his own way. He is trying to bring order to him. Man has invented science, business, machine civilization and despite of the people at, Democracy is with us. And this is due to the fact, that contrary to previous belief that the more concentration of power is all that is needed to cause the people to civilization to the time, we may apply some system of control. It is good to have good intentions, as many have concentration. It is intent to have a model fully good by people, no more extent this

[1] p. 1.
[2] p. 1.
[3] p. 1.
[4] "The Making of a Democracy", p. 1.
[5] p. 1.

idea in a measure to industry. Individuals are not individuals once they join society. They are part of the mass. Individuals are like raindrops falling from the heavens. As long as each individual drop remains above, it is individual, but once it joins the flood below, it loses its individuality and is part of the flood. Now, this flood, controlled, can do much good; but, if it is uncontrolled it can do much damage.

> "What we must never forget is that in an economic system without coordination, control, or a sense of function, occupations are bound to collapse under us; supplies are bound to be cut off; price levels are bound to rock dizzily up and down. The price of the efficienty of specialization is economic insecurity. We cannot have both specialization and security unless we choose to control the mechanism from the top."[1]

> "It is becoming increasingly evident that the conception of society is made up of autonomous, independent individuals is as faulty from the point of view of economic realism as it is from the standpoint of Christian idealism. Our fundamental philosophy of rugged individualism must be modified to meet the needs of a cooperative age."[2]

> "The equalities of national policies, viewed as a science which is capable for the betterment of the lives of the average man and woman in America, is the concern of national leadership -- particularly in such years as these when the hand of discouragement has fallen upon us, when it seems that things are in a rut, fixed, settled, that the world has grown old and very much out of joint. That is the mood of depression, dire and weary depression which, if the quality of our political leadership is right, should vanish so utterly that it will be difficult to reconstruct the mood."[3]

Hence, there is no doubt but that the times are changing, and we must change too. Man is a very accommodating creature. He can fit himself into almost any responsible groove so quickly that even he, himself, thinks that he was always there. Man's mind, viewpoint, etc. are changeable and changing. It changes more rapidly under pressure or at the sting of a challenge. The change of times has challenged the mind of man today. Just because economists in the past have said that depressions are as inevitable

[1]Chase, Stuart, "A New Deal," p. 64.
[2]Beard, C. A., "The Myth of Rugged American Individualism," Harper's, December, 1931.
[3]Roosevelt, F. D., "Looking Forward," p. 7.

as taxes, must we accept that and wait complacently for what may happen? This is man's world. The world will do whatever he wishes. Man has only to think. Let us grow up and think consciously and intelligently in order that depressions may go the way of pestilence and famine.

> "There is no sense in saying that, because the old economists found no answer to the economic riddle, no answer can be found; no sense in saying that, because communism and all the other revolutionary programs offer no solution, no solution can be found; no sense in saying that what has always happened must happen."[1]

> "We must build towards the time when a major depression cannot again happen, and if this means sacrificing the easy profits of the inflationist booms, then let them go -- and good riddance."[2]

> "The consciousness of great events is stirring the whole nation; the sources of initiative and ingenuity have once more been opened. What it once was to be an American, in the old adventurous, pioneering sense, our generation is learning all over again. It is not the same thing. The reckless individualistic expansion of the 19th century is a closed era, we have come to the end of a prodigal childhood, we are learning to accept the limitations of maturity and discovering that even though we cannot be childishly anarchistic, life is still worth while."[3]

[1]Foster and Catchings, "The Road to Plenty," p. 31.
[2]Roosevelt, F. D., "Looking Forward," p. 9.
[3]Tugwell, R. G., "New York Times Magazine," July 16, 1933.

CHAPTER IV.

THE TRUE IDEA OF DEMOCRACY AND PROSPERITY

Times have changed radically and basically. Hence, it would seem that it would be necessary to change the very pattern of our government. Perhaps this would be necessary, if we did not live under a democratic form of government, but our form of government is dynamic and mutable. In fact, it has not been a set form at all. It has been as changing as the times. It has been said that, in order to do anything in the United States, you have not got to change the Constitution, but only change the people's interpretation of the Constitution. This dynamic nature of our government has been such as to produce a certain level of intelligence in this country that is sufficient to develop a strong, enlightening leadership. This democratic leadership is able to arouse the public interest and guide it safely through any emergencies. The democratic form of government is the only one that is changeable enough to lead people through chaotic times.

Though we need not go through a change in governmental forms, we must change our concept of democracy a little. No longer must we accept the farcical idea, under the guise of democracy, of electing legislators who at once become rubber stamps and who must obey the mandates of organized groups. We must accept the new and truer concept of democracy as inferred by the late President Wilson when he said that we must make the world "safe for democracy". By that, he meant a new spirit of individualism. An individualism working for the benefit of the corporate whole. The new democracy means that each individual has certain rights to living that cannot be taken away from him. He has a right to earn a living. He has a right to be secured against the encroaches of unscrupulous elements. His personality has a right to demand recognition, and if there are any evils or circumstances

THE TRUE IDEA OF DEMOCRACY AND PROGRESSITY

Times have changed radically and basically. Hence, it would seem that it would be necessary to change the very pattern of our government. Perhaps this would be necessary, if we did not live under a democratic form of government, but our form of government is dynamic and mutable. In fact, it has not been a set form at all. It has been as changing as the times. It has been said that, in order to do anything in the United States, you have not got to change the Constitution, but only change the people's interpretation of the Constitution. This dynamic nature of our government has been such as to produce a certain level of intelligence in this country that is sufficient to develop a strong, enlightening leadership. This democratic leadership is able to arouse the public interest and guide it safely through any emergencies. The democratic form of government is the only one that is changeable enough to lead people through chaotic times.

Though we need not go through a change in governmental forms, we must change our concept of democracy a little. No longer must we accept the Tarolcal line, under the guise of democracy, of electing legislators who at once become rubber stamps and who must obey the mandates of organized groups. We must accept the new and truer concept of democracy as inferred by the late President Wilson when he said that we must make the world "safe for democracy". By that, he meant a new spirit of individualism. As individualism working for the benefit of the corporate whole. The new democracy means that each individual has certain rights to living that cannot be taken away from him. He has a right to earn a living. He has a right to be secured against the encroaches of unscrupulous elements. His personality has a right to demand recognition, and if there are any evils or circumstances

which prevent the full enjoyment of life, then he has a right to expect that these evils and circumstances be eliminated.

> "The term democracy is used, blanket fashion, to cover those movements and tendencies in social relationships that make for the elimination of, or compensation for, inequalities whether caused by nature or man."[1]

> "The Declaration of Independence discusses the problem of government in terms of a contract. The terms of the contract are as old as the Republic and as new as the new economic order. Every man has a right to life, and this means that he has also a right to make a comfortable living. He may, by sloth or crime, decline to exercise that right, but it must not be denied him. Our government, formal and informal, political and economic, owes to every man an avenue to possess himself of sufficient for his needs through his own work."[2]

Since the country owes every honest citizen the right to earn a living, it is right to contend that no government or employer has the right to take away jobs or wages without accepting the responsibility for finding new means of support. The living of every man is dependent upon society. Every rich man's wealth is dependent upon society. The poor man has always contributed his little bit towards making the rich man, rich. Hence, no government has a right to favor a small group at the expense of the greater group. Every honorable citizen is an asset to a nation, whether that citizen is rich or poor. And it is rather incumbent upon the government to pay more attention to the 90 per cent poor rather than to the 10 per cent rich.

> "Democracy is made up of self-government, equal opportunity, absence of privilege, and the ranking of men according to personal desert or personal achievement."[3]

> "Democracy should beware of any attempt to make it serve the dominant interest, no matter how important it seems or how sincerely it is believed in."[4]

> "Adequate government regulation should prevent the accumulation of excessive gains in the hands of a few, the monopolistic control of commodities, and the abuses that may arise in such public service monopolies as are under private operations."[5]

[1]Snedden, David.
[2]Roosevelt, F. D., "New Freedom," p. 35.
[3]Clark, J. M., "Social Control of Business," p. 70.
[4]Ibid., p. 253.
[5]Husslein, Joseph, "Democratic Industry," p. 357.

which prevent the full enjoyment of life, when he has a right to expect that he's avoid all disturbances be eliminated.

The very impersonal uses, also most feasible, to cover those movements and behaviors in modern industrialized life which for the attention of, or consideration for, is curtailed whether caused by nature or man.[1]

"The modernization of industrialized Minnesota has produced a government in terms of a contract. The terms of the contract are as old as the Mayflower and as new as the new economic order. Every man has a right to life, and no one must be his slave. Every man has a right to make a comfortable living. He may, provided he obeys the law, to exercise what he can, but it must be legal law. Our government, since was formed, political and economic, owes to every man an opportunity to develop his art of satisfaction for himself through his own work."[2]

Since the country over every honest citizen has right to earn a living, it is right to contend that no government or employer has the right to take away long or years without recognizing the responsibility for finding new means of support. The living of every man is dependent upon society. Every time man's wealth is increased upon society. The poor man has always contributed his little bit towards making the rich rich. Hence, no government has a right to favor a few at cost of the welfare of the greater group. Every honorable citizen is an asset to a nation, whether that citizen is rich or poor. And it is his right, incumbent upon the government to pay more attention to the 95 per cent rather than to the 5 per cent rich.

"Democracy is not an of self-government, equal opportunity, security or privilege, but the treating of men according to personal merit by political authorities."[3]

"Democracy cannot remain if any attempt is made to serve the common interest, no matter how important it seems or how necessary it is believed to be."[4]

"Minnesota government regulation should prevent the accumulation of monopolistic power in the hands of a few, but monopolistic control of monopolies, and it does not, that are active in such public service monopolies as are under private operation."[5]

---

[1] Lincoln, David.
[2] Roosevelt, F. D., New Freedom, p. 10.
[3] Ibid., " " Social Control of Business, p. 70.
[4] Ibid., p. 200.
[5] Lindsley, Joseph, Democratic Industry, p. 207.

"Though we have entered the economy of abundance, its practical effects must be confined to certain classes in certain periods called 'prosperity', unless the dam which impounds the warehouse products can be channeled."[1]

It is an extremely detrimental and unsocial system which will permit any large group to remain on jobs which do not challenge abilities of that group or wherein there are periodic lags. In fact, any system which depends upon the poverty of the masses is undemocratic and dangerous. We have so coddled our production system that we have relieved it of practically all responsibilities. A good system must be democratic, powerful, efficient, planned, experienced, far-seeing, adaptable and progressive.

"The economic problem of the present and the immediate future is that of removing occupational poverty."[2]

"A system is not worthy to last a single week that requires a mass of poverty or unemployment for its continuation."[3]

"The issue of government has always been whether individual men and women will have to serve some system of government and economics or whether a system of government and economics exists to serve individual men and women."[4]

"The public is dependent upon producers and to just the extent of its dependence it needs to be able to hold the producers to some corresponding duties and responsibilities."[5]

Contrary to the modern industrialistic concept of life, namely, that life is bound around by dollar bills and that the possession of these dollars is the measure of success, life is its only excuse for being. Life is full. Life is wholesome. It is a healthy battle toward a beneficent end. It is an urge to improve religiously, intellectually, and mutually. It is a desire to add one little bit toward the socialization of civilization. Our new idea of democracy is based upon a new idea of prosperity. Formerly, the mass wealth of the nation was taken to estimate the prosperity of the nation. Today, we take the level of the lowest stratum of society as our

[1]Chase, Stuart, "A New Deal," p. 2.
[2]Carver, Wells, Lester, "This Economic World," p. iv.
[3]Ibid., p. 320.
[4]Roosevelt, F. D., "Looking Forward," p. 17.
[5]Clark, J. M., "Social Control of Business," p. 146.

level of prosperity. We have turned toward the consideration of the poorest of our community. Democracy and prosperity means as much to him as to us, and it is only socially just that we should help him beyond the stage of want. The more prosperous each member of society is, the more prosperous is that society. A person can be prosperous only insofar as his energies are given opportunity of expression in serviceable channels. It is the aim of democracy to raise the social justice to such a level as will enable all to reap the maximum benefits of society.

> "Anything which enables a person to avoid an occupation where the individual is not worth much and to enter an occupation where he is worth more aids not only his prosperity but makes him a more productive citizen and, he, therefore, adds more to the prosperity of the whole nation while achieving a greater prosperity for himself."[1]
>
> "By seeking first the release of human energy and by directing that energy into serviceable channels, all desirable material goods come as a matter of course."[2]
>
> "When every ounce of human energy is devoted to something useful, there will be a vast amount of useful things. Here we have the very cornerstone of all national prosperity."[3]
>
> "Let everyone be given the best possible opportunity to acquire the ability to contribute to the prosperity of others."[4]
>
> "Let everyone prosper in the exact proportion as he contributes to the prosperity of others."[5]
>
> "Wealth is as truly a means of service as the strength of one's muscles or capacity of one's intellect."[6]

The social and economic welfare of the group is the very test and condition of a sound nation. Democracy reaches out to every activity of human life. It is not considering the present good but the "greatest good of the greatest number," and this includes millions yet unborn. Hence, in view of the fact that, today, industry in democracy has failed, it is necessary for democracy to go into industry and try to create a greater social justice in this field.

[1]Carver, Wells, Lester, "This Economic World," p. 93.
[2]Ibid., p. 94.
[3]Ibid., p. 96.
[4]Ibid., p. 104.
[5]Ibid., p. 104.
[6]Ibid., p. 106.

"More and more of the matters which affect the everyday lives of Americans are coming to be determined by such quasi-governmental machinery rather than by the take it or leave it methods of private bargaining."[1]

"The modern state is going into business whether we like it or not."[2]

The American dream has been to have every man and woman get the opportunity of rising to the fullest possibility of life. Democracy is aiming to smooth out the many inequalities that exist in the world today. The urge down through the ages has been working toward social justice for all. This urge means the sharing of the "haves" with the "have nots". In the social and political fields many of the inequalities have been straightened out, but, in the field of economics, the industrial field, there is much left to be done.

[1]Clark, J. M., "Social Control of Business," p. 272.
[2]Roosevelt, F. D., "Looking Forward," p. 8.

INDUSTRY -- OLD AND NEW

The reason why little progress has been made by democracy along the industrial front, is because of an innate fear that people have of themselves and of theirs ever being in want. This was born of the days when man's ability was only sufficient to force nature to produce his barest needs. Even now that these days are past, the idea is so ingrained that our business men are reluctant to let go of it.

So strong is this idea, that we have developed in this country a dual government, one political, and one, economic. There has been developed an analogy of the feudal system of the knights versus the guilds with the great laboring class wedged in between. The economic system has developed a condition in which the greatest care is taken of capital and little consideration given labor.

> "It appears clearly to be bad economy for industry to pay tender attention to the conservation and maintainance of its capital and to allow its labor power to be wasted or destroyed, merely because the laborers have not the intelligence or the strategic economic position to drive a bargain which would adequately protect them."[1]

In the old days, when man could bargain with man, when industry was simple and labor was scarce, there was a chance for man to use his abilities and intelligence to gain his end. Demands could only be met by a certain constant drive on production and skilled laborers were kept on the payrolls during the dull periods for fear of losing them. Today, industry is so highly specialized that as soon as dull times appear men are laid off. Industry feels no social responsibility to keep men on the job. Industry shifts the responsibility to some one else.

> "In the early days of this country, the success and income of every man did depend almost entirely upon the amount of energy and intelligence which he put into business. In the main, a rough economic

[1]Clark, J. M., "Social Control of Business," p. 130.

equality of the early American democracy, a man could therefore bargain on equal terms with his fellows."[1]

Our old industry has been developed along the lines that enlightened self-interest always operates in the public interest. This has not been the case. As a matter of fact, industry has become more savage than the most savage beast. In the guild days, there was a certain ethical code observed among the trades. Even today, among the lower types of animals, there is an ethical code. But this is not so in industry. The objective of industry is to accumulate as much as possible in the hands of as few as possible. The ultimate aim being to center the world's industry in the hands of one man. This race has developed the most unethical and undemocratic system of cut-throat competition that the degraded mind of man could conceive. In fact, the action of the race has been suicidal.

"Concentrating the ownership of the mass of production in the hands of the few, it deprived the millions of any voice or share in the regulation of what most vitally concerns them."[2]

"Let us be clear at the outset that the liberty of individuals to carry on their business should not be abrogated unless the larger interests of the many are concerned. It is the purpose of the government to see that the legitimate interests of the many are concerned."[3]

Modern industry up-to-date may be likened to the first wave of infantry going over to attack. They move individually and toward specific objections. The method is costly but the results are supposed to warrant the method. After a sufficient number of individual soldiers have reached a certain objective, it is considered to be safe enough to move the whole line up. That is about where industry is now. Or, we may say that it is time to wipe out the industrial salient. Social democracy has advanced considerably on the left wing. Political democracy has advanced considerably on the right wing. But, industrial democracy has remained firm at the old battlefront of

[1]Douglas, P. H., "The Coming of a New Party," p. 3.
[2]Husslein, Joseph, S. J., "Democratic Industry," p. 237.
[3]Roosevelt, F. D., "Looking Forward," p. 139.

the early nineteenth century. This has created a dangerous salient along democracy's lines and we are bringing to bear all intelligence possible to straighten out this St. Michel of Democracy.

> "The business of today is not an affair of making profit. That is incidental. Business is the service of supplies. It aims to supply goods and service sufficient to allow people to live, to develop, and to live still more fully."[1]

> "It is sufficiently clear that industry is essentially a matter of public concern, and that the stake which the public has in its process is not adequately protected by the safeguards which individualism affords."[2]

> "And now, in the second decade of the century, we are resolved to recognize openly that competition in most of its forms is wasteful and costly; that larger combinations must, in any modern society, prevail. We go further; we say that they should prevail but only under such conditions of control as assure a just distribution of the wealth they develop and now accumulate to the people as a whole. We are moved to distribute this wealth more evenly by humanitarian considerations, but, beneath all that, we are moved by forces of imperious necessity."[3]

[1]Berle, A. A., Jr., "Scribner's," September, 1933.
[2]Clark, J. M., "Social Control of Business," p. 50.
[3]Tugwell, Rexford G., "New York Times," July 16, 1933.

CHAPTER V.

CONSUMPTION VERSUS PRODUCTION

Wouldn't it be marvellous if a Black Plague were to sweep over the country and wipe away 50% or more of the people so that the rest of us might be wealthier. Perhaps it would be better. There would be a shortage of labor and the price of labor would be higher. There would be a return of the war days when labor was highly paid because their fellow-men were busy killing each other. Oh, it would be grand if the number of producers could be lessened; but, if 50% of our producers were wiped away, 50% of our purchasers would at the same time be wiped away. Yes, the very men and women whom we wish were not in existence are the very means of our wealth.

Wealth is the result of production. When we produce we make something of value. How much it is worth depends upon how much anybody wishes to pay for it, or can pay for it. We have developed our production system to such an extent that we produce all the goods that the world needs. In fact, we have developed a system of mass production equal to any emergency. But, production is not enough. We must have a free flow of goods. However, that which causes production goods to move is purchasing power. It is this purchasing power which the economists in the past have assumed would always exist to a sufficient degree. This might have been true if the productive system had not wiped away many labor-hours and took the profits thereof unto itself.

> "Money spent in the consumption of commodities is the force that moves all the wheels of industry. When this force remains in the right relation to the volume of commodities offered for sale, business proceeds steadily.... To move commodities year after year without disturbing business, enough money must be spent by consumers, and no more than enough, to match all commodities."[1]

> "Gradually students of economics are being forced to the conclusion that a dependable supply of purchasing power provides one basic answer to the riddle of distribution."[2]

[1]Foster and Catchings, "Money," p. 27.
[2]Chase, Stuart, "A New Deal," p. 2.

ABSENTEE OWNERSHIP

Suppose it be prevailing in a place where there are no owners over the country who live away. Only a few of the people so that the rest of the right to realize. Perhaps it would be better. There would be a source of labor and the price of labor would be lower. There would be a number of the new land where labor was at hand. Only those that fellow-men were being filling each other. Or, it would be great if the labors of producers could be lessened; but if our of our producers were sent away, one of our producers would at the same time be without work. Yes, the very men and women who pick were not in existence are the very people of our society.

Money is the result of production. Good as goods are made more units of value. Now most of its works depends upon how many anybody wishes to pay for it, or can pay for it. So we have developed our production system to such an extent that we produce all the goods that the world needs. In fact, we have developed methods of mass production equal to any emergency. But production is not enough. We must have a free flow of goods. However, when other nations produce goods to give to surrounding people. It is this purchasing power which stimulates in the past have seemed more always to a sufficient extent. Thus, it is very often the productive nations are not sure they may have labor-hours and vice the product thereof unto itself.

"Money plays in the commerce, or commodities in the form that movement of the wheels of industry. Thus, it loses tension in the right relations to the values of commodities offered for sale. It allows products equitably.... To make commodities just alike, that money of exchange business, money, money which is spent by consumers, and no more than enough, to make all commodities."[1]

"Monetary matters of economics are bound forward to the economic, that a dependable supply of purchasing power provides on basis money on the basis of production."[2]

[1] Kemmerer and Kemmerer, Money, p. 27.
[2] Ibert, "A New Deal", p. 2.

Another little legacy that we received from the nineteenth century was the principle of thrift. In the nineteenth century people were taught to save and build for the future. As a consequence of these teachings, our industries took out an exorbitantly large amount of the profits and "plowed it back" by expansion, etc. This destroyed considerable purchasing power. They were building for the future. That principle was all right for an age whose future was one of expansion. But, our future is not one of expansion. It is rather an intra-developmental future. We have reached the maximum expansion and we must develop ourselves in order that we might live of and by ourselves.

Another false legacy was the law of supply and demand. This law was looked upon as infallible "in se". It stood alone and was the rule of production. If production goods were too great, it was because the demand was not great enough. Little thought was given as to why the demand was not great enough. Every one of the millions in the bread lines today could have demands equal to any millionaire. Their dreams are the possible demands. The reason why their dreams do not materialize into demands is because they have not the wherewith to buy.

> "There are some who tell us that the depression is due to overproduction. But how can there be overproduction of everything. There might be overproduction of some things, but in a world where the majority of the people are poor, it is illogical nonsense that there is too much of everything."[1]

Our economic system has been like an airplane with one weak wing. We have made some wonderful "take-offs" that may be noted as periods of prosperity, and we have had as many bad landings that may be noted as depressions. One wing, the production wing, has been developed until it is capable of sustaining any load. The other wing, the consumption wing, has

[1]Lippman, Walter, "Dependable Money," American Magazine, July, 1933.

Another little issue, that we received from the industrial country was the principle of profit. In the aforesaid country people were inspired to save and build for the future. As a consequence of these two factors, the industrial zone was an exceptionally large amount of its profit and "plowed it back" by expansion, etc. This resulted in considerable personal power, and a sense of stability for the future. That principle was, it seemed, for an age longer future was beyond question. But, our future is not one of expansion. It is rather an inter-dependence of interests. We have reached the maximum expansion and we have developed a sense in which we might life of one by others.

Another false theory was the law of supply and demand. This was looked upon as infallible in-deed. It worked alone and was the rule of production. If profitable goods were too cheap, it was because the demand was not great enough. Little thought was given to the demand was not great enough. Even one of two millions in the great city, could have a reasonable order to the mill-hands. Small items are the possible demands. In reason why these items do not materialize into demands is because they have not the money to pay.

There did come the call in that the depression in the to over-production. But now was there be overproduction, of everything. There might be overproduction of some things, but in a world where there is want of the people are poor. It is a fearful condition that there is too much of everything.

Our economic case has been like an airplane with one wing. We have made so a wonderful "take-off" that we be motor at periods of prosperity, and we have been so many out in things that may be more as necessities. One wing, the production wing, was well developed until it is capable of sustaining any load. The other wing, the consumption wing, has

[illegible], with, [illegible] [illegible] [illegible] [illegible] [illegible].

been ignorantly disregarded. Why is this so? Because of the fear that there is not enough riches to go around. Perhaps there would not be in terms of the riches of the feudal days -- chattel, food, etc. But today our riches consist mainly of credit money, greenbacks, coins, etc. This type of money increases wealth in proportion to the number of times it circulates. Hence, it becomes necessary to keep the money moving in order to keep us wealthy. Now the rich can't keep it going around. They cannot spend it fast enough. But, the ordinary man can spend it. In fact, he must spend it. If the moneyed men gave it to him forty times a year, he would be compelled to spend it forty times for his family. The rich would get it back many times again and would be richer. This seems to be a simple principle that the world has not as yet seemed fit to accept.

Yes, it is our consumption system that needs attention. It is necessary that the upper classes render service to the lower classes. We must create a mass consumption to go hand in hand with mass production. We must remember that production does not regulate consumption, but rather consumption regulates production. The creating of purchasing power is too important a function to be left in the hands of a few. Governments must realize that herein is the crux of our economic system and must take steps to regulate it.

> "That we have solved the main outlines of production -- the inflow -- does not help us much. Unless distribution -- the outflow -- can be directed, the misery which springs from economic causes will tend to continue unabated."[1]

> "Production looks for its regulator to distribution; and distribution in turn is regulated by the flow of money through consumer's markets."[2]

> "Business is sustained when people continue to use up commodities at the rate at which they are being prepared for use. To keep business free from extreme fluctuations, production and consumption must be balanced within a sufficiently short period of time."[3]

[1]Chase, Stuart, "A New Deal," p. 2.
[2]Foster and Catchings, "Money," p. 277.
[3]Ibid., p. 321.

COOPERATION VERSUS SELFISHNESS

One of the most ludicrous observations of the whole change in our economic system, is the fact that the men who are attempting to effect this change are men who have been brought up in an age when selfishness was in vogue. They are the product of an age when individualism meant everything for self. They were little removed in attitude from the primeval man, and they are attempting to teach cooperation. They never knew what the word cooperation meant. To them it meant to build up a great machine, to "railroad through a project or a man."

Early man fought nature itself. As soon as he conquered nature he turned to fighting other men. If he saw a man with more than he had, he immediately pitted himself against his fellowman for the purpose of acquiring for himself the possessions of his fellowman. We can readily see this trait in the American Indian. The American Indian banded together only as much as was sufficient for protection and for securing the aims of the band. If a tribe of Indians saw another and weaker tribe with a better hunting ground, the stronger tribe would set upon the weaker tribe and take away the better hunting ground, even if it meant the annihilation of the weaker tribe. This worked for the well-being of the stronger tribe apparently. But look what happened. When the white men arrived, a stronger tribe, the Indians were not strong enough to ward off the attack. They paid the penalty for their selfishness and lack of true spirit of cooperation in the race. Look at the counterpart in industry today. If one competitor sees another competitor in a more lucrative field, he immediately sets upon him to wipe him out. It's business. Yes, it is business; but, selfish business, not cooperative business. Man has never learned to live and let live. He is a

selfish acquisitive animal that must rule or ruin.

The past generation that is overhanging into the new age boasted of cooperation. The word to them was a catch word, a slogan, but they never knew the real significance of the word. To them, the word meant the cooperation of the upper class. To them, to cooperate was to work with them. The lower class did not exist as far as they were concerned. Their cooperation was in essence a selfishness,- a selfishness that has wrecked many a democratic theory. If a new and democratic idea was proposed for the betterment of a certain class, they would raise the cry of class legislation. If a measure was advocated for their benefit, it would be cooperative and democratic because their success meant the success of the system. What an egotistical and selfish viewpoint.

Today, we find ourselves in the position that we are because we are selfish and greedy and do not think of others. Our own generation has been selfish in its consideration of future generations. They have all but exhausted the natural resources of the nation. The development of the machine has been selfishly used to throw men out of employment, to reduce man's wages, and to make man a slave of the machine. Corporations have been developed for the purpose of controlling production, distribution, and price for the benefit of the few. This is a selfishness that is typical of the primitive man. It is born of another age, but it is so indelibly impressed on man that it will take generations before the true significance of cooperation is understood. In fact, we can hardly see how it can be worked out. However, we know what it is and that it must be brought about. Hence, for the benefit of the unborn millions, we must make a start at developing the idea of cooperation.

soviet economic units that are tailor-made.

The first generation was, in retrospect, just the sum of the parts of cooperation. The work patterns were a carry-over, a blend, but they never had that definite ne of the wood. To them, the work meant the continuation of the upper class. To them, the factory was just like them. The lower class labor, what as they were conscious. Their cooperation was in dependence relationships,- a relationship that at times meant a sense of mutual good. If a map had descriptive lines was proposed for the betterment of a certain class, they would take the side on class lines. If a measure was given for their benefit, it would be cooperative and determined to serve their interests and a sense of the system. Their evaluation and sight was viewpoint.

Today, we find ourselves in the position that we are because we are motivated and, real, but in not this of people. Our own generation has been satisfied in the consciousness of taking generation. They have all but commanded the capital resources of the nation. The development of the machine has been selfish and to serve needs of employers, to reduce manpower, and to make man a slave of the machine. Corporations have been developed for the purpose of centralized direction, distribution, and price for the benefit of the few. This is a selfishness that is typical of the primitive man. It is born of ignorance, but it is so far from historical on that it will have consciousness before the time consciousness of cooperation is unknown. In fact, we practically are not in one to worker cooperation. However, we know enough to be and that it must be organized about. Hence, for the benefit of the masses of people, we all need a start at developing the idea of cooperation.

The last few years have taught us a costly lesson. They have taught us that it is far more profitable to cooperate with one another. They have taught us that each must find his task and stick to that task. We know that in small groups, in organizations or in business, that it is better to work together. Why cannot this policy of cooperation be carried on in a larger field -- on a basis of national organization for the benefit of true democracy and better civilization?

A bold step is being taken in this nation that bids fair to have more far-reaching effects than any single act of any nation in the past. In the midst of a generation, organized on the basis of selfishness and with a background of selfishness, we are attempting to inculcate the principle of cooperation. That principle means that every last man in this country must learn that it is better to sacrifice and even be sacrificed for the benefit of the whole rather than to continue along the selfish lines of "me-first" existence. We have got to find some way to develop the "buddy" idea of the World War. Everyone must become the "buddy" of everyone else. Each must help. This help does mean merely the casting of a few crumbs to a starving man. It is something greater, better, nobler than that. This cooperation means that we must learn to live and let live. We must learn that it is life itself that is worth living for. We must be fair enough to recognize the abilities of others and permit those deserving to be placed in their proper sphere. The "pull" in obtaining one's place in life must be superceded by an analysis of abilities. The code of the Draft Boards of the World War is an efficient model to go by.

Our industrial United States must learn a lesson in cooperation. But, the ideas of cooperation are as varied as the ideas as to how football

ought to be played. Hence, as the football magnates must get together in order to formulate rules for perfect cooperation, so the industrial magnates must meet with government officials. The rules of the game must be made and all must follow. Our people is a oneness moving ahead to the destiny of a perfected civilization. No unit, not even the all-important industrial unit, can assume a privilege. Cooperation must become as much of our very being as selfishness was in the past.

GROWING IDEA OF COLLECTIVE LEADERSHIP

It is well for us to talk about the high ideals of collective leadership. We can consider the need of advancing the industrial front; but all this is empty prattle, or, at least, its values will be recognized and obtained only after a long struggle through the years to come, unless the leaders of the nations are ready to accept and act upon these principles. It is our honest belief that our leaders have recognized the industrial lag and are ready for action. The only way that we can know how our leaders are thinking is to review their writings and speeches. Hence, it is necessary to include here the thoughts of our leaders.

> "Thoughtful men are daily realizing more fully that the only economic bulwark to safeguard the domestic peace of the nations is the establishment of a true democracy in an industrial life."[1]

> "Is there no way in which we can continuously use our vast resources of men, machines, money, and materials, thus sustaining production and employment and bringing more of the good things of life to the people generally."[2]

> "Clear-sighted men saw with fear the danger that opportunity would no longer be equal; that the growing corporation, like the feudal baron of old, might threaten the economic freedom of individuals to earn a living."[3]

> "Collectivism starts with one tremendous advantage over competition. Man is a social animal, like the bee, and not a purely competitive animal, like the tiger."[4]

> "That men are entitled to work and wage, to leisure, but also to labor and adequate remuneration, that labor is vital and dignified and sacred, that the products of labor should be more justly distributed and divided, that men come first and money and dividends second, that selfishness must give way to cooperation for common good, that child labor should and must go, so that children may play and secure an education while men work, that justice must prevail so that charities might go on, that men are souls not things or machines or animals -- all this is a program which religion preached during the ages but which men were unwilling to practice."[5]

[1]Husslein, Joseph, S. J., "Democratic Industry," p. vii.
[2]Foster and Catchings, "The Road to Plenty," p. iii.
[3]Roosevelt, F. D., "Looking Forward," p. 26.
[4]Chase, Stuart, "A New Deal," p. 47.
[5]Levi, Rabbi Harry.

"This is a fight to bring contentment and plenty back to millions of American homes that otherwise face another winter of hunger and misery. It is a fight to give an honest living wage to every bread-winner who wants to work."[1]

"All agree that irregularity in employment -- the greatest of our evils -- cannot be overcome unless production and consumption are more nearly balanced. Many insist that there must be some form of economic control. There must be power in the states and the nation to remold through experimentation our economic practices and institutions to meet changing social and economic needs."[2]

"We had been a nation of individuals. We reached a past in which tremendous collective effort was necessary. We organized and made that effort. We did so within the framework of an industrial and governmental organization which contemplated no such pooling of will, but nevertheless allowed it when the need existed."[3]

"The N. R. A. program is the beginning of a national economic readjustment. That readjustment has been overdue for many years. It has been necessary because the machine age ran away with us. We did not know how to manage it."[4]

"There is no mistaking the conclusion that we are in the midst of one of the great revolutionary periods of history, and that upon our generation and its successors the task is imposed of discovering and establishing a multitude of new relationships among the peoples of this planet."[5]

"It has taken harrowing tears of insecurity for all, and unemployment for millions, to teach us the simple lesson that prosperity must be shared in order to be kept. A nation's most secure investment is the investment in salaries and wages which maintains the purchasing power of the masses and enables industry and agriculture to find markets for their product."[6]

Herein are a few quotations, but sufficient to show that the leaders of thought in our country believe that the time has come when adjustments must be made in our industrial economy. The very fact that men of this type hold these opinions makes it hopeful that, sometime in the future, we may see a permanent change. These future changes will be traced to the endeavors in our own day.

[1]Johnson, Louis, National Commander, American Legion, 1932.
[2]Justice Brandeis.
[3]Berle, A. A., Jr., "Scribner's," September, 1933.
[4]E. A. Filene.
[5]Lippman, Walter, "Primer of New Deal," p. 7.
[6]Dern, Honorable George H., Secretary of War.

CHAPTER VI.

EXPERIMENTS -- ANCIENT AND MODERN

If we were to listen to some of those self-appointed disciples of the N. R. A., we would be tempted either to get an inflated idea of our own ability to cope with emergencies or stand aghast at attempting the untried. However, we may neither think that we are a group of supermen nor be alarmed at the outcome. There have been many successful attempts in the past along the same ideas of the N. R. A. and innumerable successes in the present day civilization. Let us mention a few of them, to see that we have justification for our endeavors.

> "History tells us that from time to time conditions have arisen which plunged wealthy nations, whose affairs were regulated by laws, into periods of economic distress. A readjustment followed, usually under the direction of a leader who was intrusted to use discretionary power.
>
> Such conditions led ancient Athens to call Solon, in the year 594 B. C., and Pericles a century and a half later who redistributed the massed wealth by setting the unemployed to work in building the magnificent structures that made Athens glorious in the eyes of mankind thereafter. Dominant leaders like Alexander, the Great, Julius Caesar, and William, the Conqueror, who combined military skill with desire to reconstruct the world economically and socially used their powers to bring about the political and economic readjustments which gave them eminence in the pages of history."[1]

> "Hammurabi, of Babylonia, 2000 years B. C., developed the very first code of laws known to man. He entered upon a vast program of public works. Dikes, irrigation projects and promenades were built. The Egyptian Pharoahs entered upon a program of social planning that kept 1,000,000 men at work for twenty years. Darius of Persia, started a definite broad-scale economic planning program that started with reforms in administration and ended by splitting his kingdom into twenty separate parts. In fact, he was such a prodigious planner that he bears the immortal title of 'The Huckster'. Under the tutelage of Aristotle, Alexander the Great launched a remarkable broad-scale plan. Augustus, in Rome, made herculean efforts at economic planning. The emperors of China, about 500 B. C., were first class economic planners."[2]

[1]Woodhouse, Henry, Chairman, National Recovery Council, "National Recovery Council Survey," p. 6., November, 1933.
[2]Doane, Robert R., "Experiments on Parade," New Outlook, September, 1933.

It is true that the labor used in these times was slave labor or quasi-slave labor. It is very true also that the work was very frequently planned merely to keep the human man busy. But, the ancients certainly did recognize the fact that there was a challenge in each man to do something useful and they attempted to meet that challenge. Even in the early days of our own country we read of the attempts to adjust the economic inequalities.

> "Washington disclosed in a letter, dated Mount Vernon, April 5, 1769, addressed to his friend and neighbor George Mason of Gunston Hall, the author of the famed Bill of Rights, that the Non-Importation Association was needed to save the people of those days from ruinous conditions like those which led to the recent adoption of the N. R. A. He said, 'That many families are reduced almost, if not quite, to penury and want by the low ebb of their fortunes, and that estates are daily selling for the discharge of debts, the public papers furnish many melancholy proofs.'
>
> 'That a scheme of this sort will contribute more effectually than any other than can be devised to extricate the country from the distress it at present labors under, I most firmly believe, if it can be generally adopted.'
>
> 'And I can see but one class of people, the merchant excepted, who will not, or ought not, to wish well to the scheme, namely, those who live genteely and hospitably on our dear estates. Such as these, were they not to consider the valuable object in view, and the good of others, might think it hard to be curtailed in their living and enjoyments.' A friend of George Washington had transmitted to him a copy of a plan worked out in New England, to form associations, the members of which agreed to stop importing commodities and not to buy from those who imported such commodities."[1]

> "On August 4th, 1790, Congress authorized the assumption by the Federal Government of the debts of the States amounting to $21,000,000 which was then a larger sum than $10,000,000,000 would be today and fifty times more difficult to borrow than to borrow $10,000,000,000 today."[2]

Thus it may be seen that all down through the ages nations have made attempts to adjust economic inequalities. In the beginning of modern history, national governments began to take an even greater paternalistic interest in business. State capitalism has spread rapidly in Germany, Austria, Hungary, Poland, Sweden, Norway, Italy, Rumania, and other countries. Another attempt at price control, showing the centralizing tendencies

[1]Woodhous, Henry, "N. R. Survey," November 1, p. 18-19.
[2]"N. R. Survey," November 1, p. 12.

Boston University
School of Education
Library

in the economic world, are the various pools operating in a number of nations; e. g. the coffee pool in Brazil, sugar pool in Cuba, silk pool in Japan, wool pool in Australia, and wheat pool in Canada.

Russia is making a brave attempt at economic adjustment and, in spite of what we might think of the methods and results, nevertheless, the attempt to solve the economic problems is in itself worthy of commendation. In Russia, they have a plan; in America, we work without a plan. Russia has a seeding campaign; in America, we destroy crops. In Russia, they increase production; in America, we reduce production and increase unemployment. In Russia, they make what is essential; in America, we make money, not useful things.

In Canada, there is government control of the banks. As a result of this control, there are few bank failures in Canada. In Canada a bank is chartered by an act of Parliament, and with only ten banks serving every community in the Dominion, a great degree of uniformity is possible. Speculation is wisely controlled by Canadian bank laws which prohibit loans to stockholders. Canadian banks undergo rigid government inspection. The deposits in Canadian banks are guaranteed by the government. In Sweden, the government is in the alcohol business and controls 90% of the railroads and 60% of the street car companies.

In Germany, industry has looked to the government for inspiration. As a result of a certain relationship that exists in Germany between the government and business, they have developed what is known as the cartel system. Cartel means an association of business competitors based upon an agreement by contract between enterprises in the same field of industry, or business, which, although retaining legal independence, are allied with a

view towards exercising an influence on the market. The N. R. A. will permit industry to get together and act as a unit, the same idea that is behind the cartel system.

In our own country there has been a growing idea to let the government do it. If any task is too great for private industry to do, the government does it. If there is any service that the people wish that no private corporation is furnishing, the government is expected to fill the want. There has been a successful attempt to assist industries in carrying on, especially in foreign fields. The government has also become a quasi-partner to many industries in the fact that it has protected them against unfair competition.

The following are some of the activities that have called for full or part-governmental control:

1. Government regulation of railroads from 1887 to the last act of Congress.
2. Waterways.
3. U. S. Barge Corporation.
4. Shipping business.
5. Aviation.
6. Canals.
7. Highway building.
8. Dept. of Commerce.
9. The Big Pork Barrel.
10. Bureau of Standards.
11. Federal Trade Commission.
12. Anti-Trust Laws.
13. Tariff.
14. Federal Farm Board.
15. The Moratorium and Frozen Assets.[1]

"The Interstate Commerce Act of 1887, the Sherman Anti-Trust Act of 1890 and the railroad legislation of 1903, 1906 and 1919 already indicated that the cry for the government regulation was being heeded."[2]

Hence, the government has done much as a quasi-partner to business and the recent movement is, in principle, nothing new. The newness comes in

[1]Beard, C. A., "The Myth of Rugged-American Individualism," Harper's, December, 1931.
[2]Valenstein and Weiss, "Business Under the Recovery Act," p. 14.

the fact that it is more inclusive, more democratic. It is reaching out to help the ordinary man caught in the meshes of a mechanized civilization. Even this endeavor is not new. We see the government in the mail business, business of education, housing business, etc. In fact, the government is like an octopus, and, as it grows, its tendrils are becoming long enough and strong enough to be all embracing.

THE PURPOSE OF THE N. R. A.

On June 15, 1215, at Runnimede, on the banks of the Thames, King John was forced to sign the Magna Charta. That was the beginning of political freedom in the modern world. On June 15, 1933, President Franklin D. Roosevelt signed the Industrial Recovery Act, which is the proclamation for the economic freedom of mankind. We are far enough away from the days of King John to know the reason why the barons forced King John to sign the Magna Charta, but perhaps we are a little close to our own days to know the cause and purpose of the N. R. A. However, we will attempt to point out the cause and purpose of the N. R. A.

The cause is well stated in the following:

> "If a foreign army were to invade our country, what would we do? Every citizen knows the answer to that question. We would fight to a man and repel it. There is upon our soil now and has been for nearly four years an enemy as destructive as an army: Depression. It stole upon us slowly, quietly, at first without many of us knowing it was here. But now it has overrun our entire land. Every man, woman, and child in America knows of its presence and tens of millions have felt its savagery, its cruelty, its utter destructiveness. Emaciated children stare at us in every section of our rich and fertile land. Fear-ridden men and despairing women line our streets by day and fill our parks at night. Our great middle class -- the backbone of our civilization -- has suffered so heavily that millions have lost confidence in themselves, in their government, even in life itself. The cost to America is greater in life and treasure than the cost of the World War. The war, with all its horrors and waste of human life and property, had some compensating factors. It brought the American people to a high pitch of patriotism, idealism, and unselfish humanitarianism. But the depression has brought to our people all but complete loss of faith in the institutions of our country, and a conviction that life itself is futile. There are millions of living dead in America today."[1]

Therein lies our task and the N. R. A. is our answer. But, what do we mean by the N. R. A.? We mean all these activities that tend to bring us back to normalcy. Its slogan is the slogan of the nation, "E Pluribus

[1]"Handbook for Speakers," (on N. R. A.), p. 22.

Unum." Just as, in the political United States, this slogan means that from many individual states we have moulded one nation; so, in the economic field, it means that we intend to blend all the economic principles in the country into one principle -- and that principle will be embodied in an economic system for the best interest of the greatest number. And as to the why of the method used by the N. R. A., we have only to go to the words of George Washington:

> "A hundred thousand, coming one after another, cannot move a ton; but the united strength of fifty would transport it with ease."[1]

The broad purpose of the N. R. A. is to bring each and every individual up to the maximum degree of confidence and cooperativeness as to allay fear, give relief and employment, revive agriculture, restore purchasing power, institute reforms, effect economies, and establish national cooperative planning. The declaration of policy of the act as passed by Congress on June 13, 1933, specifically states the aims;

Title 1 -- Industrial Recovery

Declaration of Policy

> "Section 1. A national emergency productive of widespread unemployment and disorganization of industry, which burdens interstate and foreign commerce, affects the public welfare, and undermines the standards of living of the American people, is hereby declared to exist. It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate government sanction and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid under restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources."[2]

[1]"N. R. Survey," November, p. 12.
[2]"Industrial Recovery Act," H. R. 5755, 73rd Congress, 1st Session.

The N. R. A. is the embodiment of the principle of rugged-individualism within cooperative limits and acting for the common good. It intends to take some from these that have and give it to those that have not in order to reestablish the purchasing power. Thereby, we will see a realization of human betterment.

> "The N. R. A. retains the profit motive and also introduces the principle of coordination. It retains human selfishness, but puts it to work for the human good. Selfishness cannot be abolished because, if it were, we would not be human, nor have human problems to worry us, we'd be angels."[1]

The N. R. A. means that the American democracy must be so regulated that it can make its will effective in an age of mass production, high finance, and intricate commercial dealings. An emergency exists, centering around industry, and industry is unable to meet it. To meet this emergency, a new beacon in the form of the N. R. A. has been kindled and the nation has been galvanized to advance along the new road to victory. Never has been marshalled such a force to march against a common enemy. Never has there been such a concept of coordination been put into practice. Industry, the government and the people have learned the strength of cooperation.

> "The theory of the bill is to allow industry to govern itself. If it fails to govern itself, the government will not fail. If we do not regulate our own business, the government will regulate it for us. The two are not going to fail. If one fails, the other acts."[2]

> "Marshalled together in unprecedented array, the forces of the largest, most determined, best equipped, and perhaps most dexterous, experimental army our modern civilization has ever seen are today marching full flank down the troubled economic boulevards."[3]

The N. R. A. aims to put industry in the field of fair competition. Industry must be taken out of the field of cut-throat competition. It sets up a system of national planning to take the place of ruthless warfare in which peace is made impossible by existing laws. It intends to give an

[1]E. A. Filene.
[2]Naagle, Francis E., "Counsel for National Electrical Manufacturers Assoc."
[3]Doane, R. R., "Experiments on Parade," New Outlook, September, 1933.

opportunity for controlled competition and to eliminate those parasitical practices brought about by inordinate greed. The aim is to create economic balance for the whole national welfare rather than security for a selfish few.

> "The ideal is destruction of cutthroat competition and the substitution of fair play for everybody, the cutting down of hours of work. This is nothing more nor less than applied Christianity. After 20 centuries, a mighty nation sets itself to the task of translating into reality the dream of faith that flamed the heart of the Nazarene. 'Bear ye one another's burdens and thus fulfill the law of Christ.'"[1]

> "But with the passage of the national recovery measure the era of uncontrolled competitive warfare will end and an era of cooperative planning will begin. We shall no longer trust solely to the unrestrained, economic forces and individual selfishness, but to solve them by forming definite plans and by taking effective steps to carry out these plans."[2]

> "The only competition which the bill aims to suppress is the unfair kind. The type of competition that is based on sweating labor, on false representations, on reckless overproduction, on trickery, and on wasteful and ruinous practices in general."[3]

> "It permits industries and trade associations to organize for self-government, to increase employment and improve labor conditions, to wipe out unfair practices, to discipline themselves and to stabilize their operations."[4]

> "The effort is to save our institutions from the poison of unlimited greed and to turn the results from common efforts toward more general benefits."[5]

The N. R. A. is a patriotic movement to stimulate the spirit of our people and to bring them back to the sturdy faith of our fathers. The program does not contemplate public management of private business; but, it aims to check and control the disintegrating forces of depression. It is a determination to substitute constructive cooperation for destructive competition and to apply the self-discipline of democracy to the end that we might plan on a constructive basis. It is a determination to have the government become a source of inspiration to business rather than an arresting factor.

[1]Hussey, Rev. Alfred R., "Boston Transcript," August 9, 1933.
[2]Stuart, Charles E., "Boston Herald," June 18, 1933.
[3]Valenstein & Weiss, "Business Under the Recovery Act," p. 30.
[4]"Industrial Self-Government Bulletin #2," Section 3.
[5]Tugwell, R. G., "New York Times," July 16, 1933.

"When stripped of all the doctrinal heresies read into it by those who are dubious of its orthodoxy, in the light of our traditional economic policy, the National Recovery Act is a democratic method of dealing with a grave emergency - the long-standing business depression - and its only alternative seems to be further disintegration, if not complete chaos. It attempts to replace destructive competition with constructive cooperation."[1]

[1]Harriman, Henry I., President of Chamber of Commerce of United States, "Handbook for Speakers (on N. R. A.)," p. 33.

CHAPTER VII.

THE N. R. A.

The N. R. A. has taken the form of ten new and different experimental agencies:

1. National Industrial Recovery Administration.

   Gen. Hugh S. Johnson, Administrator.

2. Agriculture Adjustment Administration.

   George N. Peek, Administrator.

3. Emergency Public Works Administration.

   Hon. Harold L. Ickes, Administrator.

4. Office of the Federal Coordinator of Transportation.

   Joseph B. Eastman, Coordinator.

5. Home Owners' Loan Corporation.

   Col. Wm. F. Stevenson, Director.

6. Federal Farm Credit Administration.

   Henry Morgenthau, Jr., Governor.

7. Federal Emergency Relief Administration.

   Harry L. Hopkins, Director.

8. Civilian Conservation Corps.

   Robert H. Fechner, Director.

9. Tennessee Valley Authority.

   Arthur E. Morgan, Chairman.

10. Reorganized Reconstruction Finance Corporation.

    Jesse H. Jones, Chairman.

To attack so great a lag in the social justice of our civilization, many strategical points must be assailed at the same time. The plan according to which the N. R. A. is moving, is the most courageous that has

Information in this chapter was taken partly from the Primer of the New Deal and The National Recovery Survey of November, 1933.

ever been attempted. Where inroads have been made by social injustice an organized body of embattled and financed experts are leading heroic assaults as may be seen by the following battle orders:

A. Home Owners.
Home Owners' Relief Act.
1. Finances mortgages on small homes.
2. Makes cash loans for tax arrears.
3. Sets up thrift associations.

B. Banking Reforms.
Glass-Steagle and Emergency Bank Acts.
1. Insures deposits.
2. Regulates loans for speculation.
3. Prohibits interest on time deposits.
4. Authorizes bank conservators.

C. Stocks and Bonds.
Supervision of Securities Act.
1. Requires Federal registration of issues.
2. Penalizes misleading information.
3. Defines seller's responsibility.

D. Agriculture.
Agriculture Relief Act.
1. Reduces surplus crop production.
2. Taxes processing of processing commodities.
3. Aims at higher farm prices.
4. Finances farm mortgages.
5. Gives rental for reduced acreage.

E. Conservation.
Tennessee Valley Act.
1. Reforestation.
2. Seeks control of floods.
3. Begins production of fertilizer.
4. Produces power for sale.
5. Starts operation of Muscle Shoals.

F. Veterans' Compensation.
Federal Economy Act.

G. Currency.
1. Abrogates gold payment contracts.
2. Makes all money legal tender.
3. Currency expansion.

H. Unemployment.
Emergency Relief and Reforestation Acts.
1. Places 300,000 men in forest work.

2. Utilizes army and navy personnel.
3. Gives $500,000,000 for relief.
4. Lifts relief burden from states.

I. Railroads.
Railroad Relief Act.
1. Creates rail coordinator.
2. Avoids duplication of facilities.
3. Promotes rail reorganizations.

J. Industry.
National Industrial Recovery Act.
1. Permits trade agreements.
2. Regulates production.
3. Permits fixing of minimum wages.
4. Seeks shorter work hours.
5. Protects rights of all labor.
6. Builds new highways.
7. Authorizes ships for navy.
8. Provides for public buildings.
9. Finances public and private projects.
10. Imposes new taxation.

Economy Act.

Before any progress could be made in the readjustment of conditions in our country, a gesture had to be made to the people to assure them that the government was attempting to do all in its power to bring the expense of government down within reach of the receipts. To the thinking person, the value of this gesture was purely in the psychological effect it would have on the public. With the demands on the government increasing as the depression advanced, more expenditures were needed. A strict federal economy would only mean to dig us deeper into the depression. Hence, a method had to be evolved to appear to reduce expenses and yet, at the same time, spend more money than the government has ever spent during peace times. Veterans' compensations and salaries of federal employees were cut and this act seems to have been sufficient to assure the public that the government was doing its part. The government then set out to spend large sums of money to get us out of the depression. This money was not charged against

the current year but was spread over a number of years.

Emergency Banking Act.

The Emergency Banking Act gives the President power to regulate:

a. credit
b. currency
c. gold
d. silver
e. foreign exchange
f. flow of gold
g. banking business of the members of the Federal Reserve System

Perhaps the most interesting feature of the banking act is the insurance element. It is most logical to expect that anyone who takes charge of the money of anyone else in order to safeguard that money should be required to give assurance that that money will be available when needed and not gambled and lost. This principle is so evident that no honest man can object to giving that insurance. The fact that insurance has not been required has been due to our utmost trust in our fellowmen. In a few cases that trust was misplaced. Let us hope that the future will see no further violations of trust.

The insurance idea is not new. Even our government has recognized the value thereof. On June 25, 1910, President William Howard Taft advocated and secured the passage of the Postal Savings Bill. There is no doubt but what every resource of the nation is an insurance for every dollar deposited in this bank.

Tennessee Valley Act.

It has been said that necessity is the mother of invention and this has resulted in the invention and development of many of our modern improvements. Necessity is the urge that carries us on to try everything and anything, resulting in some positive experiments. The World War was a

necessity that brought the United States to the realization that it could no longer depend upon other countries for the materials used in making explosives and fertilizers. It became necessary to make our own. Our engineers set about to find a place where there was sufficient power. The place selected was near Muscle Shoals in Alabama. At the end of the war the project was incomplete and was dropped. It seems rather ironical that we can do such herculean tasks for the destructive purpose of war, and yet in dealing with the constructive projects of peace, we show such weakness and incapableness.

The Depression, another emergency, which created the necessity of supply work to millions, caused Congress to take its hands out of the empty "Pork Barrel" and to focus its attention on a new idea -- "public work projects for the relief of economic distress due to unemployment." In looking around for worth-while projects, uncompleted Muscle Shoals stood out prominent and action was taken to complete the project. It is rather significant that that far-seeing and beneficial possibility in the Muscle Shoals' development, started under the collective leadership of Woodrow Wilson and stopped during the post-war period wherein we experienced a return of the laissez-faire principle, should be started again in 1933 when we see a return of the collective leadership idea.

It also seems rather coincidental that one of the greatest social experiments of age should be conducted in the land that produced the outstanding American hero of the World War -- Sergeant Alvin C. York from the mountains of Tennessee. By this Muscles Shoals project, six millions of America's most neglected people -- the mountaineers of Kentucky, Tennessee, West Virginia and Virginia -- are to be given the benefits of modern progress

without the curse of sweatshops or slums. Dr. Arthur E. Morgan is in charge and his policy is interesting in the light of the fact that he does not seem as much concerned about the development itself as he does about the development of the people. Dr. Morgan is hiring twice as many people as he really needs. He employs a man three days a week and expects the man to work the other three days on his two acre farm which the government will provide. This is not waiting, praying, hoping, accumulating for a "Break". It is living while earning a living.

> "Dr. Morgan's plan calls for the industrialization of the Tennessee Valley, not by rearing great crowded cities, but by encouraging the building of countless small industries, near enough to the people to permit part-time industrial work, along with their farming. Schools for adults as well as for the children are part of the project. Such is the vision of the New Deal -- an experiment in Social Planning, and a possible forerunner to national planning, which President Roosevelt has intrusted to the Tennessee Valley authority for fulfillment."[1]

Prohibition.

In dealing with this proposition, the people have registered a conviction. It matters not about the ideals of the race. If the presence of prohibition has, in any way, been a burden to the government, or if its repeal will give employment to any men now unemployed, then prohibition must go. On March 22, Congress passed a law permitting the sale of light wines and beer.

Reforestation. - Unemployment Relief.

On March 31, 1933, the President was authorized to establish the Civilian Conservation Corps with camps all over the country. The men enlisted receive $30 a month, of which $25 is sent to the family of the worker. The ages vary from 16 to 69 but the general run is from 18 to 25. There are 300 camps in the Eastern States, 300 in the Central States, 325 in the

[1]"Primer of New Deal," p. 39.

without the aura of amusement or whim. Dr. Arthur E. Morgan is in case a well his policy is interesting in the light of the fact that he does not seem to have concerned about the development itself as he does about the development of the people. Dr. Morgan is alarmed that so many people do not really work. He employs a man three days a week and expects the man to work the other three days on his own farm which the government will provide. This is not welfare, dreaming, novel, accumulating for a "break". It is living with world a living.

Dr. Morgan's plan calls for the industrialization of the Tennessee Valley, not by rearing great manufacturing cities, but by encouraging the building of countless small industries, near enough to the people to permit part-time industrial work, along with their farming. Schools for adults as well as for the children are part of the project. Such is the vision of the new deal -- an experiment in social planning, and a possible forerunner to national planning, which President Roosevelt has intimated to the Tennessee Valley authority for fulfillment.[1]

Prohibition.

In dealing with this proposition, the people have registered a revolution. It reverses our ideas of the liquor traffic. If the possession of prohibition was, in any way, been a burden to the government, repeal will give certainty to any man who demonstrated, then prohibition must go. In June 22, Oregon passed a law permitting the sale of light wines and beer.

Reforestation. - Unemployment Relief.

On March 31, 1933, the President was authorized to establish the Civilian Conservation Corps with camps all over the country. The men enlisted receive $30 a month, of which $25 is sent to the family of the worker. The age varies from 18 to 25 but the general age is from 18 to 23. There are 600 camps in the Western States, 300 in the Central States, 300 in the

[1] Report of the Board, p. 24.

South, and 450 in the West.

Emergency Relief.

The Act that authorizes Federal Relief permits the R. F. C. to grant money to the States, urges banks to put more money into circulation by becoming an honor bank, enables banks to make loans. This is an endeavor to provide capital with which the banks may operate.

Gold Clause Repeal.

On June 5, Congress passed a resolution making all Federal and private obligations payable in legal tender.

Home Mortgage.

On June 13, Congress approved an act intended to counteract the common outcome of depressions -- the loss of homes. The United States government will help those who are threatened with the loss of their homes because of foreclosure or failure to pay taxes.

Farm Credit Administration.

President Roosevelt by executive order set up the F. C. A. effective May 27, 1933. This was designed to furnish the farmer with the necessary funds whereby they could buy seed, hire labor, and buy fertilizer.

Agriculture Adjustment Act.

The principle underlying this act is to make the price of farm goods go up at the rate that manufactures go up. The things that the farmer buys and sells must both fluctuate in price alike. In other words, parity in prices must be maintained. This will be brought about chiefly by processing taxes and inflation.

Inflation.

Today the President has the power to:

1. Ask the Federal Reserve Banks to buy and hold $3,000,000,000 worth of government bonds.

2. The treasury may issue $3,000,000,000 worth of U. S. notes.

3. Cut the gold content of the dollar 50%.

4. Coin a limited amount of silver.

5. Buy silver.

Federal Employment Service.

The Seventy-third Congress passed the Wagner Federal-State Employment Service. The act is justified from the standpoint that the finding of work is a public obligation. Second, the people are not to blame for being unemployed. Third, the prosperity of the nation depends upon the purchasing power of the people. Fourth, federal aid projects should be better distributed. Fifth, the qualified workers should be protected. The service will cooperate with local communities in furnishing workers to engage in the large program of public works.

Federal Securities Act.

On July 26, 1933, the Federal Securities Act went into effect in order to put a stop to the bad practice of "milking" innocent and ignorant people of their life's savings. Under this act, companies are required to file a statement giving all essential information regarding the company, its officers and transactions.

Billions for the Needy.

The act of the President of October 1st, when he appointed a Federal Relief Administrator is one of the greatest tributes that may be paid our civilization. The object of the act is to move the surplus from the farms, etc. and give the same to the needy in our large cities.

4. Is the federal reserve system, or any central bank, [illegible] worth or government bond.

5. The treasury can issue $3,000,000,000 worth of U. S. notes.

6. Make deposit guarantee system major goal.

7. Coin a limited amount of silver.

8. Buy silver.

Federal employment service.

The Savings-Value Commission (Welfare) has another factual, fact-finding service. The aim is limited from the standpoint that the finding of more is a public obligation. Accordingly, people are not in search for being unemployed. Third, the responsibility of the nation depends upon the cooperation of the people. Fourth, labor, all workers, should be better distributed. Fifth, unemployed water should be conserved. The service will cooperate with local committees in furnishing workers to engage in the [illegible] program of public works.

Federal securities act.

In well go, law, the federal government [illegible] an effort in order to put a stop to the bad practice of selling [illegible] worthless and insecure people of their life's savings. Under this act, companies are required to file a statement giving all essential information concerning the company, its officers and transactions.

Billions for the need.

The act of the President of October 1st, were as [illegible] Valuation for emergency is one of the greatest [illegible] ever [illegible] our civilization. The object of the act is to [illegible] a [illegible] the [illegible], and give the [illegible] to the [illegible] in our [illegible] [illegible].

Railroad Reorganization.

On June 16, Congress created the office of Federal Railroad Coordinator to:

1. Effect economies of railroads.
2. Reorganize railroad finance.
3. Reduce fix charges.
4. Improve credit of railroads.

Public Works Program.

The United States government has substituted the principle of putting the impoverished men to work on civic constructions rather than furnishing dole.

Building Better Homes.

Cleveland, Cincinnati, Toledo and Milwaukee have pointed the way out of the depression and, at the same time, to a higher social standing of American life. These cities intend to clean up the slums and establish better homes for the slum dwellers.

Back to the farm.

The government has set aside a sum that may be used in redistributing the inhabitants of the over-crowded industrial centers. Men that are capable of at least partly supporting themselves on small farms will be given that opportunity.

National Industrial Recovery Act.

In passing this act Congress cut deep into the cancer that is eating away our very civilization. Although the underlying principles of this act are not, as yet, acceptable to all the American people, nevertheless, the very fact that our National Government has taken cognizance of

them is a long step in the right direction. Machines, uncontrolled, have been the cause of the conditions that now face us and Congress has placed the responsibility upon machines, controlled to bring us out. This act is all inclusive since it applies to:

a. Industry.

b. Labor.

c. Consumer.

Basically, the President's Reemployment Agreement, requires all those who sign it to agree as follows:

CHILD LABOR

(1) After August 31, 1933, not to employ any person under 16 years of age, except that persons between 14 and 16 may be employed (but not in manufacturing or mechanical industries) for not to exceed 3 hours per day and those hours between 7 A. M. and 7 P. M. in such work as will not interfere with hours of day school.

MAXIMUM HOURS

(2) Not to work any accounting, clerical, banking, office, service, or sales employees (except outside salesmen) in any store, office, department, establishment, or public utility, or on any automotive or horse-drawn passenger, express, delivery, or freight service, or in any other place or manner, for more than 40 hours in any 1 week and not to reduce the hours of any store or service operation to below 52 hours in any 1 week, unless such hours were less than 52 hours per week before July 1, 1933, and in the latter case not to reduce such hours at all.

(3) Not to employ any factory or mechanical worker or artisan more than a maximum week of 35 hours until December 31, 1933, but with the right to work a maximum week of 40 hours for any 6 weeks within this period; and not to employ any worker more than 8 hours in any one day.

(4) The maximum hours fixed in the foregoing paragraphs (2) and (3) shall not apply to employees in establishments employing not more than two persons in towns of less than 2,500 population which towns are not part of a larger trade area; nor to registered pharmacists or other professional persons employed in their profession; nor to employees in a managerial or executive capacity, who now receive more than $35 per week; nor to employees on

emergency maintenance and repair work; nor to very special cases where restrictions of hours of highly skilled workers on continuous processes would unavoidably reduce production but, in any such special case, at least time and one-third shall be paid for hours worked in excess of the maximum. Population for the purposes of this Agreement shall be determined by reference to the 1930 Federal census.

MINIMUM WAGES

(5) Not to pay any of the classes of employees mentioned in paragraph (2) less than $15 per week in any city of over 500,000 population, or in the immediate trade area of such city; nor less than $14.50 per week in any city of between 250,000 and 500,000 population, or in the immediate trade area of such city; nor less than $14 per week in any city of between 2,500 and 250,000 population, or in the immediate trade area of such city and in towns of less than 2,500 population to increase all wages by not less than 20 per cent, provided that this shall not require wages in excess of $12 per week.

(6) Not to pay any employee of the classes mentioned in paragraph (3) less than 40 cents per hour unless the hourly rate for the same class of work on July 15, 1929, was less than 40 cents per hour, in which latter case not to pay less than the hourly rate on July 15, 1929, and in no event less than 30 cents per hour. It is agreed that this paragraph establishes a guaranteed minimum rate of pay regardless of whether the employee is compensated on the basis of a time rate or on a piece-work performance.

(7) Not to reduce the compensation for employment now in excess of the minimum wages hereby agreed to (notwithstanding that the hours worked in such employment may be hereby reduced) and to increase the pay for such employment by an equitable readjustment of all pay schedules.

ANTI-SUBTERFUGE

(8) Not to use any subterfuge to frustrate the spirit and intent of this Agreement which is, among other things, to increase employment by a universal covenant, to remove obstructions to commerce, and to shorten hours and to raise wages for the shorter week to a living basis.

ANTI-PROFITEERING

(9) Not to increase the price of any merchandise sold after the date hereof over the price on July 1, 1933, by more than is made necessary by actual increases in production, replacement, or

invoice costs of merchandise, or by taxes or other costs resulting from action taken pursuant to the Agricultural Adjustment Act, since July 1, 1933, and, in setting such price increases, to give full weight to probably increases in sales volume and to refrain from taking profiteering advantage of the consuming public.

COOPERATION

(10) To support and patronize establishments which also have signed this Agreement and are listed as members of N. R. A. (National Recovery Administration).

CODES

(11) To cooperate to the fullest extent in having a Code of Fair Competition submitted by his industry at the earliest possible date, and in any event before September 1, 1933.

APPROPRIATE ADJUSTMENTS

(12) Where, before June 16, 1933, the undersigned had contracted to purchase goods at a fixed price for delivery during the period of this Agreement, the undersigned will make an appropriate adjustment of said fixed price to meet any increase in cost caused by the seller having signed this President's Reemployment Agreement or having become bound by any Code of Fair Competition approved by the President.

SUBSTITUTIONS

(13) This Agreement shall cease upon approval by the President of a Code to which the undersigned is subject; or, if the N. R. A. so elects, upon submission of a Code to which the undersigned is subject and substitution of any of its provisions for any of the terms of this Agreement.

EXCEPTIONS

(14) It is agreed that any person who wishes to do his part in the President's Reemployment Drive by signing this Agreement, but who asserts that some particular provision hereof, because of peculiar circumstances, will create great and unavoidable hardship, may obtain the benefits hereof by signing this Agreement and putting it into effect and then, in a petition approved by a trade association of his industry, or other representative organization designated by N. R. A., may apply for a stay of such provision pending a summary investigation by N. R. A., if he

agrees in such application to abide by the decision of such investigation. This Agreement is entered into pursuant to section 4 (a) of the National Industrial Recovery Act and subject to all terms and conditions required by sections 7 (a) and 10 (b) of that act.

The core of this act is the code. Every industry is expected to voluntarily submit to a code made up by the industry itself for the purpose of eliminating unfair competition and preventing industrial self-suicide. The code is primarily based upon the principle that labor, organized and unorganized, must be given fair treatment. The aim is to bring the wages of the mass of people to the level that they may not only have comfort, but, also some degree of culture. The State must safeguard labor's rights. Industry has pitted labor against labor too much for the purpose of retaining a greater slice for itself. The industrial leaders have failed to recognize the fact that labor is an integral part of industry and, if labor's efficiency is impaired, industry and the whole social fabric is by so much weakened. The dream of the future is that the N. R. A. sign will be the sign of fair-play. It will do what labor had hoped the union trademark would do. It will place labor on a legal and social equality with capital.

However, the final test of every program is how the man on the street takes it. It does not make any difference if a thing is constitutional or not; but, it does matter what the opinion of the mass of the people is. Justice Louis D. Brandeis has said that it is not necessary to change the constitution regarding anything. The only thing that we need to do is to amend men's minds. It is an economic truism that the income of every person depends upon the price of commodities. The rich can only buy a very small percentage of the commodities on the market and a small increase in the price would not effect them. The greater percentage of the commodities

are purchased by the large mass of people that we do not consider rich. Hence, if there was to be any price raising, it was going to bring a hardship on the man who was already carrying an almost unbearable load. Therefore, it became necessary to conduct a "Consumers' Campaign." It was necessary to educate the general public relative to the value of the general plan. It was necessary to so enthuse the people that they would gladly support the program. Let us look at the plan as carried out at Lynn, Mass. The plan was:

1. Each ward was assigned to a "Major" who organized 10 teams under ten "Captains".
2. On August 13, a letter was read in all the churches.
3. From August 13 to August 28, the "Flying Squadrons" of speakers were sent to all organizations.
4. On August 20 members of the American Legion and Veterans of Foreign Wars, in uniform, visited the churches and, during the services, delivered to the ministers the proclamation of General Hugh S. Johnson. The slogan was, "A blue eagle in the window of every home."
5. On August 28 Lynn conducted a "Prosperity Election." The polls were opened from 8 A. M. to 8 P. M. and everyone over 16 years of age was supposed to visit the polls and sign a consumer's pledge card.
6. On the following days, the teams went to work and canvassed and registered every consumer.

What a program of education and what a response. Before September 1st, practically 96% of the people of Lynn were pledged to patronize only stores showing the "Blue Eagle", to pay more for goods, and to buy their way out of the depression and back to prosperity. The consumers' campaign was a decided success and the N. R. A. was started on the road to success.

CHAPTER VIII.

CONCLUSION

Thus it may be seen that the white man may consider himself all sufficient for his own being, may be apparently independent, the fact that a life is born and a life is gone every minute has made the human element of the world a continuity. No man, no generation can say that this is its particular task, that the task begins and is ended during its particular span of life. What is begun by one is carried over in some way to others. Hence, the problem facing us today is not one of our times alone but is the result of a growing ideal of true democracy -- the ideal of all men being social units, working together in social groups for the best interest of all and thereby for each.

We have seen how the idea began during the Middle Ages, when a small group of merchants broke away from the ruling class and fought for recognition. This was the beginning of the principle of rugged-individualism which latter developed into the spirit of the laissez-faire. These principles had their place in the development of the ideals of human relationship. However, the invention of machines brought about a condition that was as detrimental to social justice as any the world has ever known. The ruling class and the industrial class conceived the idea that the world belonged to them and that the great mass of people were only on earth for the best interest of the upper classes. The mass of people, they thought, was the soil into which they could bury their roots while they lifted their head heavenward and enjoyed the blessed sunshine.

Sometimes it takes a great catastrophe to bring us to the realization of the existence of a problem that must be met. So it was the terrible World War and the dire aftermath that made us cognizant of the cancerous

Such quick

Thus it may be seen that the entire economic concept will suffice for his own being, may be supported independent, therefore that a life in harmony with be open every minute for such the dawn element of the world's continuity. Thus, so conservative we say that this is a particular case, therefore that a belief during its particular span of life. This is begun by one in overlooking in some way to minute. Hence, the problem truly as matter is not one of the times alone but rather of a growing idea of the economic -- the view of all the single units, making together a social group for the best interest of all as a theory for best.

We have been now and then seeing that the "life span", that a social group of mankind grows and the "life" times of course for preservation. Without the beginning of the entire life or growth-life rather developed into the "plain" life of "lower-life". Thus natural-law has their place in the development of human relationship. However, the invention of machine brought about a complete change. It is social in sight be not the good and ever second. The "life" cycle and the interested other conceived as "lose" in the world beyond of them and then it first came of people were only to start for the best interest of the upper interest. In case of people, they therefore, see the skin into which they could buy their roots make they little "interest" over-rather without the changed summer.

Question is taken a most enterprise to be so as to the relation of the relationship of a whether that it is man. So it was the terrible world or not his life already have seen the contained of the enterprise

growth in our civilization. Something was wrong that challenged the best that was in us. Our industrial life had been developed to the highest degree of perfection. Geographical frontiers had been swept away. Nature's outposts had been conquered and, as a whitened sepulchre, our civilization stood among the civilizations of the world and of all time, indicted. Materially and externally a beautiful thing, but, in reality, rotten to the core and built upon the crushed bodies and spirits of ages of humans. There is one great pioneering frontier left and our civilization is appealing to the oncoming generations to assail this frontier. It is an appeal to bridge the social chasm as the machine bridges the physical chasm. It is a challenge to level the valleys and hills of social justice in order that the skyline of social justice may not present the appearance skyscrapers interspersed among one-storied buildings. It is a challenge to bring about a rise in the lowering of the interior control of life. It is a challenge to answer the condition which has been brought about by machines. The machine age has brought us closer together physically and farther apart socially. The challenge is a sociological challenge. This is the challenge that has been hurled at us out of the past and our answer to it is the N. R. A. And what an answer! What a series of attacks at such strategical points. But, we are not too optimistic. To answer this challenge means work -- not work today and tomorrow alone, but work perhaps for ages. It has taken ages for the challenged to be formulated. It may take ages to answer it. But, at any rate, to our day and generation may be given the credit for starting the answer.

> "For the New Deal will not be dealt to us while we sit at our ease. It requires labors and struggles which our generation will begin, but of which it will not see the end. There should

not be illusions as to the greatness of the times in which we called. These are times of momentous change in the habits of men. Those who are privileged to live through the years will see how history is made."[1]

[1]Lippman, Walter, "American Magazine," May, 1933.

BIBLIOGRAPHY

BIBLIOGRAPHY

Carver, Thomas N., Wells, David A., and Lester, Hugh W. "The Economic World and How It May Be Improved." New York: A. W. Shaw Company, 1928.

Chase, Stuart. "A New Deal." New York: The Macmillan Company, 1933.

Clark, James M. "Social Control of Business." Chicago: University of Chicago Press, 1926.

Douglas, Paul H. "The Coming of a New Party." New York and London: McGraw-Hill Book Company, Inc., 1932.

Foster, William T., and Catchings, Waddill. "Money." Boston and New York: Houghton, Mifflin Company, 1923.

Foster, William T., and Catchings, Waddill. "The Road to Plenty." Boston and New York: Houghton, Mifflin Company, 1928.

Husslein, Joseph. "Democratic Industry." P. J. Kennedy and Sons, 1919.

Keynes, John M. "Laissez-Faire and Communism." New York: New Republic, 1926.

Lewis, E. E. "A Primer of the New Deal." Columbus: America Education Press, 1933.

Merritt, Albert N. "War Time Control of the Distribution of Foods." New York: The Macmillan Company, 1920.

Roosevelt, Franklin D. "Looking Forward." New York: The John Day Company, 1933.

Stewart, Halley. "The World's Economic Crisis and the Way of Escape." New York: The Century Company, 1931.

Valenstein, Lawrence, and Weiss, E. B. "Business Under the Recovery Act." New York and London: McGraw-Hill Book Company, Inc., 1933.

Wilson, Woodrow. "The New Freedom." New York and Garden City: Doubleday, Page and Company, 1913.

MAGAZINES

Beard, Charles A. "A Five-Year Plan for America." Forum, July, 1933.

Beard, Charles A. "The Myth of Rugged American Individualism." Harper's Monthly Magazine, December, 1931.

Beecher, Beatrice B. "Career Control." New Outlook, September, 1933.

Lippman, Walter. "Dependable Money." American Magazine, July, 1933.

Lippman, Walter. "The New Deal." The American Magazine, May, 1933.

Tugwell, Rexford G. "The Ideas Behind The New Deal." New York Times Magazine, July 16, 1933.

MISCELLANEOUS

"National Recovery Survey." National Recovery Publications, New York, 1933.

"Printed Paragraphs for Speakers." The Blue Eagle Drive, Speakers' Division. United States Government Printing Office, Washington, D. C., 1933.

"Official Explanation of the President's Reemployment Agreement." National Recovery Administration, United States Government Printing Office, 1933.

Lynn Chamber of Commerce Files, 1933.

Date Due

Demco 293-5

BOSTON UNIVERSITY
1 1719 02555 7770

Thesis
Leary, D.J.
1934
Leary, Daniel J.
Is the N.R.A. the natural outcome of our economic politics of the past?

GAYLORD

Thesis
Leary, D.J.
1934

Leary, Daniel J.
Is the N.R.A. the natural outcome of our economic politics of the past?